

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION

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ePLUS, INC.,  
Plaintiff,  
v.  
LAWSON SOFTWARE, INC.,  
Defendant.  
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:  
: Civil Action  
: No. 3:09CV620  
:  
: January 19, 2011  
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COMPLETE TRANSCRIPT OF **JURY TRIAL**  
BEFORE THE HONORABLE ROBERT E. PAYNE  
UNITED STATES DISTRICT JUDGE, AND A JURY

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1           (The proceedings in this matter commenced at  
2   9:00 a.m.)

3           THE CLERK: Civil Action No. 3:09CV00620.  
4   EPlus, Incorporated v. Lawson Software, Incorporated.

5           Mr. Scott L. Robertson, Mr. Craig T. Merritt,  
6   Ms. Jennifer A. Albert, and Mr. Michael T. Strapp  
7   represent the plaintiff. Mr. Daniel W. McDaniel,  
8   Mr. Dabney J. Carr, IV, Ms. Kirstin L. Stoll-DeBell,  
9   Mr. William D. Schultz, and Ms. Rachel C. Hughey  
10  represent the defendant.

11           Are counsel ready to proceed?

12           MR. ROBERTSON: The plaintiff is, Your Honor.

13           MR. McDONALD: Yes, Your Honor, we are.

14           THE COURT: Good morning, ladies and  
15  gentlemen. We're going to resume the Laurene McEneny  
16  show, which appears at this hour only once. It's  
17  under the sponsorship of Lawson Software, Inc. through  
18  the cooperation of the plaintiff. And then we're  
19  going to have some testimony.

20           I may, I'm told, have to deal with a motion  
21  after this. So I don't know. We may have to take a  
22  recess, but we'll see what we're doing.

23           I think what the lawyers have been doing is  
24  trying to work out ways to continually, as they have  
25  gone on, make the trial more efficient and reduce the

1 amount of time, your time, that has to be consumed in  
2 the process. That takes a lot of hard work, and  
3 sometimes there's, as you can imagine, friction that  
4 develops in the decisional process that has to be  
5 resolved by yours truly. And it's better if we don't  
6 expose you to all that because, I have to tell you, it  
7 sometimes confuses me, and you don't need to be  
8 visited with all that. So we'll see.

9 All right. Are you ready to play.

10 MS. HUGHEY: Yes, Your Honor.

11 THE COURT: All right. All systems go.

12 MS. HUGHEY: Yes.

13 THE COURT: All right.

14 (The video of Laurene McEneny is resumed  
15 playing at this time.)

16 THE COURT: Is it through?

17 MS. HUGHEY: Yes, Your Honor. We'd like to  
18 submit Exhibit 403, which is the testimony of  
19 Ms. McEneny, into evidence.

20 THE COURT: Into evidence, 403?

21 MS. HUGHEY: Yes.

22 THE COURT: All right. It's been admitted.  
23 All right.

24 (Defendant's Exhibit 403 is admitted into  
25 evidence.)

1 THE COURT: Yes, Mr. McDonald, what do you  
2 have.

3 Mr. Robertson?

4 MR. ROBERTSON: Your Honor, I have one issue  
5 to take up with respect to this witness, and I would  
6 ask that if Mr. McDonald and I could just briefly  
7 approach to discuss that matter.

8 THE COURT: All right. Excuse me, ladies and  
9 gentlemen. I'm going to insult your ears.

10 (The following side bar conference is begun:)

11 MR. ROBERTSON: Your Honor may recall during  
12 the pretrial conference we raised the issue in  
13 particular about this witness and concern about others  
14 will be discussing terms that were construed by the  
15 Court that have specialized meaning. I think it was  
16 brought out during this deposition with respect to  
17 this particular witness, Ms. McEneny, we raised the  
18 issue, and the Court indicated it was going to give a  
19 cautionary, advisory instruction that, for example,  
20 she was testifying as a fact witness without the  
21 benefit of the Court's construction.

22 It's going to come up again to the extent  
23 that Dr. Staats testifies this morning. In fact, it's  
24 going to happen. He's a p.H.D He's got the honorary  
25 title of doctor. We're going to be referring to him

1 as doctor. I don't want the jury to have a  
2 misunderstanding that these witnesses are expert  
3 witnesses.

4 THE COURT: That was Mr. --

5 MR. ROBERTSON: No, that was Mr. Knuth.  
6 We're no longer calling Mr. Knuth.

7 MR. McDONALD: He was a fact witness kind of  
8 like Ms. McEneny, only for a different product, the  
9 J-CON product. He was there selling it.

10 THE COURT: I thought you were abandoning the  
11 J-CON.

12 MR. McDONALD: No, we were going to -- we  
13 will shorten it up quite a bit when we go through with  
14 Dr. Shamos, but the prior art is going to come in  
15 through Dr. Staats as a fact witness.

16 MR. ROBERTSON: My concern is there's some  
17 confusion as to whether these are fact witnesses or  
18 experts because they're going to be using those terms  
19 that the Court has construed.

20 THE COURT: What do you want me to do?

21 MR. ROBERTSON: Your Honor had suggested at  
22 the time of the pretrial that it was going to explain  
23 that this was a fact witness, not an expert, and to  
24 the extent they were using the Court's claim terms,  
25 that the claim terms controlled, not the lay witness'

1 understanding of them. Your Honor even formulated an  
2 instruction.

3 THE COURT: I understand. I think you can --

4 MR. McDONALD: There's something you can tell  
5 on a preliminary basis about all the fact witness.  
6 I'm not sure we need to do it again specifically at  
7 this point, specifically for Mr. Staats testimony. If  
8 he uses the word "catalog," it will come out in the  
9 testimony as it did with Ms. McEneny that she didn't  
10 know what the Court's construction was.

11 THE COURT: That was one of the last  
12 questions.

13 MR. McDONALD: Right.

14 MR. ROBERTSON: At a minimum, can we explain  
15 that Ms. McEneny was testifying just as a fact witness  
16 and not as an expert, and if Your Honor has a general  
17 instruction on that. I think I am concerned with Mr.  
18 Staats because I'm sure that Mr. McDonald or whoever  
19 is doing the direct examination is going to credential  
20 Mr. Staats, Dr. Staats, with his educational  
21 background. And there's likelihood of confusion.

22 MR. McDONALD: He sold the J-CON products.  
23 He's the one that recognizes the documentation, knows  
24 the features as a factual matter. He was the person  
25 selling the product with the features that he's going

1 to testify about. So he's not testifying as an expert  
2 on infringement or validity. He's just saying this is  
3 what I sold and here's its features.

4 THE COURT: What is his doctorate in?

5 MR. SCHULTZ: Electrical engineering.

6 MR. McDONALD: I don't know if that's  
7 relevant.

8 THE COURT: It sounds to me like he's an  
9 expert.

10 MR. McDONALD: No, no, no. He was there  
11 selling this product. He was the head of the company.  
12 I don't think we'll make a big deal about his  
13 doctorate. He's a computer guy just like the IBM  
14 people or the other folks. He just knows something  
15 about computers. He's not an expert. And I don't  
16 think the jury was confused about that with these  
17 other witnesses, and I don't think they will be  
18 confused with Mr. Staats.

19 MR. ROBERTSON: Your Honor, the confusion may  
20 be resulting because at one point Lawson tried to  
21 substitute Dr. Staats for Dr. Shamos and dropped Dr.  
22 Shamos. You ruled that he couldn't testify as an  
23 expert. They are representing he's going to be  
24 testifying about this J-CON system. It's going to  
25 come up with respect to the slides that we want to



1 discuss because what's happening now with Dr. Shamos,  
2 he's presenting detailed, element by element, claim by  
3 claim obviousness analysis that he never disclosed in  
4 his expert report. We raised this yesterday.

5 There's one paragraph that Dr. Shamos has  
6 about combining J-CON with this P.O. Writer system for  
7 obviousness. There are no longer any anticipation  
8 claims with respect J-CON for Dr. Staats.

9 So our objection, we'd like to raise with the  
10 Court, and it's going to take away some time with the  
11 jury, but it's very important because these slides for  
12 the first time are what they have given us are what  
13 they contend is a claim by claim, element by element  
14 obviousness argument.

15 THE COURT: Are you saying we need what  
16 Shamos is going to testify to before Staats testifies?

17 THE COURT: I would say yes because, Your  
18 Honor, if Dr. Staats -- if Dr. Shamos, and there's  
19 only one paragraph on obviousness, and there's no  
20 analysis, then Dr. Staats' testimony is completely  
21 untethered to any kind of relevance as the Dr. Shamos'  
22 opinions as Your Honor has already ruled. We can't  
23 have some witness come in here testifying to all those  
24 things without an expert tying it together and  
25 connecting the dots, and that's exactly what's going

1 to happen.

2           Someone has to connect the dots, but it can't  
3 be with Dr. Staats because he didn't do an expert  
4 report. The only person that did an expert report on  
5 this combination of J-CON and P.O. Writer is Dr.  
6 Shamos, and it's in one paragraph.

7           THE COURT: I'm going to excuse the jury.

8           (The sidebar conference has concluded.)

9           THE COURT: I need to take something up  
10 further with them, and I don't think you need any more  
11 white noise. You talk about something that will  
12 destroy your harmony and your waa, that's it.

13           (The jury is exiting the courtroom.)

14           THE COURT: I gather that this issue that you  
15 were raising, Mr. Robertson, is embodied in the email  
16 chain that I got today. Somehow there's a connection  
17 between what Dr. Staats is going to testify to and the  
18 Dr. Shamos issue.

19           As I understand your point, just so I get the  
20 issue framed, you're objecting to Dr. Staats  
21 testifying because he would be testifying to matters  
22 that have no relevance in the case and that would be  
23 prejudicial and confusing to the jury because there is  
24 no expert that is going to link the factual matters  
25 that he's testifying to back to an obviousness opinion

1 by Dr. Shamus. Is that basically the framework we're  
2 operating in?

3 MR. ROBERTSON: That's the essence of it,  
4 Your Honor.

5 THE COURT: Where is Dr. Shamos's obviousness  
6 opinion that you say is the end of it all?

7 MR. ROBERTSON: Your Honor, if I might hand  
8 it up to the Court.

9 THE COURT: I have his report up here.

10 MR. ROBERTSON: Well, I've got the excerpt  
11 for you Your, Honor.

12 THE COURT: All right. This is an excerpt  
13 from Dr. Shamos' invalidity report.

14 MR. ROBERTSON: If I can focus you in on  
15 paragraph 236. He actually has two paragraphs in its  
16 entirety in his report that talk about the combination  
17 of this J-CON reference, which Dr. Staats is going to  
18 testify about in P.O. Writer, which we just heard.  
19 235 is simply an introductory paragraph.

20 THE COURT: You say there's no anticipation  
21 issue now.

22 MR. ROBERTSON: No, it's been conceded by the  
23 defendant that they are not offering J-CON for any  
24 anticipation theory.

25 Now, you'll recall that that's all that Dr.

1 Staats did in his expert report.

2 THE COURT: Dr. Shamos?

3 MR. ROBERTSON: Excuse me, I misspoke. Dr.  
4 Shamos. And there were claim charts on anticipation  
5 and what they this did was identify what they thought  
6 the elements were going to show, but they didn't show  
7 in what way there was going to be any combination of  
8 those elements.

9 There was a long claim chart where they said  
10 this is disclosed in J-CON or this is disclosed in  
11 P.O. Writer, but we're talking about some 10 claims  
12 and 56 elements and nowhere is there any explanation  
13 in any obviousness chart because, quite frankly, it  
14 was conceded that Dr. Shamos did no obviousness  
15 charts, notwithstanding the Court's scheduling order  
16 that it issued earlier in the case --

17 THE COURT: You're saying 236 is the only  
18 place where he deals with obviousness and J-CON?

19 MR. ROBERTSON: And P.O. Writer.

20 THE COURT: Both or either?

21 MR. ROBERTSON: Well, together. He's saying  
22 that together J-CON and P.O. Writer render the claims  
23 obvious.

24 And I think we pointed out to the Court that  
25 there needs to be some sort of reasoned analysis. In

1 fact, if I could just go to the KSR case, which is the  
2 Supreme Court's most --

3 THE COURT: Wait a minute. I just need to  
4 refresh my memory on 236. He starts off with a clause  
5 that says, "To the extent that J-CON and/or P.O.  
6 Writer are not deemed to anticipate any asserted  
7 claim," and now we don't have any anticipation issue.

8 MR. ROBERTSON: That's correct.

9 THE COURT: "It is my opinion that such claim  
10 would have been obvious in view of the combination.  
11 The same reason for making the previous two  
12 combinations apply to combining the J-CON system as  
13 described in the J-CON manual with P.O. Writer Plus as  
14 described in the P.O. Writer Plus manual."

15 Well, I don't understand what previous two  
16 combinations.

17 MR. ROBERTSON: He actually had a combination  
18 on J-CON plus Dworkin and RIMS plus Dworkin. They are  
19 coming different references.

20 I would suggest, Your Honor, that those  
21 paragraphs are as conclusory as this one, although  
22 there's more than simply one paragraph. But, again,  
23 there's no claim chart. There's no claim by claim,  
24 element by element explanation.

25 THE COURT: Wait just a minute. The P.O.

1 Writer Plus Version 10 system provided the  
2 multi-vendor capability demanded by the industry at  
3 and before the time of the invention.

4 So that's why he puts in -- that's his reason  
5 for including P.O. Writer 2 as an obviousness  
6 component.

7 The J-CON system included features that one  
8 of ordinary skill in the art would have been motivated  
9 to use with the P.O. Writer including additional  
10 details about performing a cross referencing data  
11 relating to an item on requisition to determine an  
12 alternate source for the same source -- an alternate  
13 source for the same item and/or an acceptable  
14 substitute for the item initially selected. And  
15 that's why he says you would add J-CON to P.O. Writer,  
16 right?

17 MR. ROBERTSON: Yes, Your Honor.

18 THE COURT: So he's given those two reasons.

19 MR. ROBERTSON: That's right.

20 THE COURT: And he can testify to those two  
21 reasons.

22 MR. ROBERTSON: I perfectly agree. If that's  
23 the extent, if that's the confines of his testimony  
24 because that's what he put in his report, I will  
25 cross-examine him on that, but we were talking about

1 10 claims that were represented are invalidated and 56  
2 separate elements. And that's the sum total of his  
3 analysis. And that's inadequate under the case law  
4 including the Supreme Court's pronouncement on  
5 obviousness in its most recent opportunity to address  
6 that issue.

7 And if I just might --

8 THE COURT: That's on KSR?

9 MR. ROBERTSON: Yes, sir.

10 THE COURT: I mean in KSR.

11 MR. ROBERTSON: And the citation for that is  
12 550 U.S. 398.

13 THE COURT: Do you have a copy of it here for  
14 me?

15 All right. What page?

16 MR. ROBERTSON: It's page 12, I think, of the  
17 actual Westlaw printout. It starts at, I think, about  
18 418 of the actual decision.

19 THE COURT: Okay.

20 MR. ROBERTSON: A sentence that begins,  
21 "Often it will be necessary for a court to look to  
22 interrelated teachings of multiple patents, the  
23 effects of demands known to the design community or  
24 present in the marketplace, and the background  
25 knowledge possessed by a person having ordinary skill

1 in the art all in order to determine whether there was  
2 an apparent reason to combine the known elements,"  
3 but that's elements, "in a fashion claimed by the  
4 patent at issue. To facilitate review, this analysis  
5 should be made explicit."

6 It goes on to cite in this Federal Circuit  
7 case that says, "Rejections on obviousness grounds  
8 cannot be sustained by mere conclusory statements.  
9 Instead there must be some articulated reasoning with  
10 some rational underpinnings to support the legal  
11 conclusion of obviousness."

12 We also cited to Your Honor the Innogenetics  
13 v. Abbott Labs case, which is a post KSR case from the  
14 Federal Circuit, and the citation there is 512 F.3d  
15 1363 at 1373, and that's a 2,000 case.

16 There it was dealing with an expert's  
17 obviousness conclusions, and it said for each of the  
18 claims you analyze for obviousness, defendant's expert  
19 merely lists a number of prior art references and then  
20 concludes with the stock phrase to one skilled in the  
21 art it would have been obvious to perform these  
22 particular steps in the claim.

23 Again, it goes on to quote KSR. There must  
24 be some articulated reasoning with some rational  
25 underpinning to support the legal conclusion of



1 obviousness.

2 I'm skipping down now, Your Honor. It's not  
3 credible to think that a lay jury could examine the  
4 prior art that the defendant cited as prior art or any  
5 of the other references and determine on its own  
6 whether there were differences among them and the  
7 patent at issue. Such vague testimony would not have  
8 been helpful to a lay jury avoiding the pitfalls of  
9 hindsight that belie the determination of obviousness.

10 THE COURT: Do you have a copy of that case?

11 MR. ROBERTSON: I do not, Your Honor. It was  
12 cited in the brief, but I can get it for you in short  
13 order.

14 THE COURT: We can get it. It's quicker back  
15 there.

16 MR. ROBERTSON: So the problem we have now,  
17 Your Honor, is we were presented on Monday night with  
18 22 slides that conduct an obviousness analysis of  
19 J-CON and P.O. Writer on a claim by claim, element by  
20 element basis. We think that was improper under the  
21 law. We think it was improper under the Court's  
22 scheduling order. We think it's contrary to both  
23 the spirit and letter of your ruling on the second  
24 supplemental statement.

25 And we think on that basis to have Mr. Staats

1 or Dr. Staats testify about this J-CON system in  
2 detail leaving the impression with the jury that it's  
3 now going to be all tied together, all these elements,  
4 by Dr. Shamos when he should be limited to this single  
5 paragraph that he has listed in his expert report  
6 would be improper.

7 THE COURT: All right.

8 MR. ROBERTSON: To anticipate what I think my  
9 opposing counsel is going to say --

10 THE COURT: Let them say it.

11 MR. ROBERTSON: All right. Let me address it  
12 when --

13 THE COURT: They may fall into the bear trap  
14 that you laid.

15 MR. ROBERTSON: All right. Thank you, Your  
16 Honor. I would just say, Your Honor, there are some  
17 slides that we have issues with with respect to this  
18 that we think trespass onto the Court's claim  
19 constructions.

20 THE COURT: We'll deal with those later.

21 MR. ROBERTSON: Yes. Thank you, Your Honor.

22 THE COURT: All right. Ms. Stoll-DeBell,  
23 what I want you to do is show me where in Dr. Shamos'  
24 opinion he does the analysis required by *KSR*, *Kahn* and  
25 *Innogenetics*. Where in the report, not the slides,

1 but where in the report, where does he do it?

2 MS. STOLL-DeBELL: He does his claim by claim  
3 analysis for each of those elements in his Exhibit 3  
4 claim chart. And, Your Honor, you'll recall that --

5 THE COURT: Is that this big thing?

6 MS. STOLL-DeBELL: Yes, but it will say J-CON  
7 plus P.O. Writer on it. They were separated out.

8 THE COURT: Let me get this straight now. It  
9 is not done anywhere textually in this report, is that  
10 correct or not correct, other than in 236?

11 MS. STOLL-DeBELL: That's not correct.

12 THE COURT: Where is it? Start with that. I  
13 thought that I dealt with this once before, but I  
14 think I may have erred.

15 MS. STOLL-DeBELL: You did. We spent over an  
16 hour.

17 THE COURT: I need to know in the report  
18 where is it that he does what these cases require him  
19 to do? Because I agree that it is -- if he can't do  
20 it, I don't think that Dr. Staats can come in and  
21 testify because I think that, while it is conceptually  
22 relevant, is confusing to the jury and, further, it  
23 interjects all kinds of prejudice if there's nobody to  
24 link it together because of the reasons explained in  
25 Innogenetics.

1           Give me the pages of his report where he says  
2   that.

3           MS. STOLL-DeBELL:   Okay.   Your Honor --

4           THE COURT:   Is that in the --

5           MS. STOLL-DeBELL:   So his report is set up,  
6   it's set up in this way.   He first goes through and  
7   describes all of the prior art references he's going  
8   to rely on including P.O. Writer.

9           THE COURT:   I'm not going to hear this.  
10   We're going to do it paragraph by paragraph so I can  
11   see what you're talking about.   So I need to get the  
12   report in front of me, if you'll excuse me.

13           He gave me experts.   Okay.   I've got the  
14   whole report here now.   Thank you.

15           MS. STOLL-DeBELL:   Do you also have Exhibit 3  
16   for P.O. Writer and J-CON?

17           THE COURT:   Is that this big thing that they  
18   presented?

19           MS. STOLL-DeBELL:   It is, but I have, I  
20   think, a more user friendly version of it that we  
21   handed up yesterday.

22           THE COURT:   Can I have it?

23           MS. STOLL-DeBELL:   Yes, sir.

24           THE COURT:   Do I have one?   You say you  
25   handed it up yesterday.   What did you hand up?

1 MS. STOLL-DeBELL: Mr. McDonald did.

2 THE COURT: What did you hand up?

3 MS. STOLL-DeBELL: This.

4 THE COURT: Okay. Take yours back then.

5 This is all the slides. Come here and look and tell  
6 me where. This is what Mr. McDonald gave me  
7 yesterday. You tell me what you're talking about and  
8 find it for me, then I'll have what you have.

9 That's Exhibit H to what?

10 MS. STOLL-DeBELL: It was to their motion to  
11 enforce prior court orders that we dealt with on  
12 December 30.

13 THE COURT: All right. Now, show me in the  
14 text of Shamos' invalidity report where it is that he  
15 talks about the combination of J-CON and P.O. Writer  
16 and obviousness.

17 MS. STOLL-DeBELL: We looked at the one  
18 paragraph where he talked about the combination, and  
19 what I think Mr. Robertson is saying is you also have  
20 to do an element by element analysis of where those  
21 references teach each claim.

22 The element by element analysis occurs in a  
23 number of places in Dr. Shamos' report. For P.O.  
24 Writer, it starts at paragraph 180, which is on page  
25 54, and goes to paragraph --

1 THE COURT: I have to find it. 180 has been  
2 stricken.

3 MS. STOLL-DeBELL: Okay. 181. This is his  
4 element by element analysis or talking about what it  
5 is that P.O. Writer discloses. He has a similar  
6 section for J-CON.

7 THE COURT: 181. Is that it?

8 MS. STOLL-DeBELL: Through 185. I'm sorry.  
9 185 includes the reexam, Your Honor. So 184.

10 THE COURT: Well, now, the way I read this, I  
11 don't see that he's discussing any claim by claim,  
12 element by element combination of P.O. Writer and  
13 J-CON. He's just discussing generally what P.O.  
14 Writer Plus permitted.

15 MS. STOLL-DeBELL: That's true, and he has a  
16 similar discussion for J-CON.

17 THE COURT: Where is that?

18 MS. STOLL-DeBELL: J-CON starts at -- the  
19 section starts at paragraph 195, but I think you want  
20 to look at paragraph 196 on page 59.

21 THE COURT: 196, the J-CON?

22 MS. STOLL-DeBELL: Yes. And that goes  
23 through the next couple of pages.

24 THE COURT: Paragraph 196 through where? 200  
25 or 201?

1 MS. STOLL-DeBELL: 201.

2 THE COURT: All right. Now, the way I read  
3 this -- I've read this before. The way I read this,  
4 this describes the J-CON system alone and nothing in  
5 combination with P.O. Writer. Is that right or wrong?

6 MS. STOLL-DeBELL: That's right. That  
7 section is J-CON.

8 THE COURT: It doesn't discuss any  
9 combination and how it would be obvious, right?

10 MS. STOLL-DeBELL: Right. That happened at  
11 the paragraph you looked at earlier.

12 THE COURT: 236?

13 MS. STOLL-DeBELL: Yes.

14 THE COURT: Okay. So that happened at 236?

15 MS. STOLL-DeBELL: Yes.

16 THE COURT: Okay.

17 MS. STOLL-DeBELL: Then he also did a claim  
18 by claim, element by element analysis where he cited  
19 to each of the trial exhibits to show where each of  
20 those shows each claim element.

21 THE COURT: Wait a minute. And that's, you  
22 say, Exhibit H?

23 MS. STOLL-DeBELL: Yes. Which was -- and it  
24 was Exhibit H, Your Honor.

25 THE COURT: Wait a minute. This says

1     invalidity analysis of Johnson, et al. what am I  
2     talking about? What part of Exhibit H do you want me  
3     on? I've got it.

4             MS. STOLL-DeBELL: I think maybe I gave you  
5     the wrong one, Your Honor.

6             THE COURT: My guess is that there are other  
7     patents on other pages of this. I don't know. Let me  
8     look. What I have is Johnson, and I don't see  
9     anything for --

10            MS. STOLL-DeBELL: Look at page 2, Your  
11     Honor.

12            THE COURT: Yes.

13            MS. STOLL-DeBELL: Your Honor, I think it  
14     might be easier if we're looking at the same document.

15            THE COURT: I am. I thought.

16            MS. STOLL-DeBELL: I handed you up an  
17     identical copy of what I have.

18            THE COURT: Have you given that to,  
19     Mr. Robertson?

20            MS. STOLL-DeBELL: It's the same thing only  
21     it has trial exhibits copied on there so we know which  
22     trial exhibits.

23            THE COURT: All right. Give Mr. Robertson a  
24     copy so he knows what you're talking about.

25            MS. STOLL-DeBELL: Okay. Some do you have



1 this, Your Honor?

2 THE COURT: I have what you have handed me.  
3 It's got your handwriting or somebody, P.O.  
4 Writer/J-CON on the top of it?

5 MS. STOLL-DeBELL: Yes, that's correct. So  
6 this is the portion of Exhibit 3 that related to his  
7 disclosure on P.O. Writer and J-CON.

8 THE COURT: Well, the first one says, in the  
9 first column, says invalidity of Johnson, et al.

10 MS. STOLL-DeBELL: That's because Johnson was  
11 the first named inventor on the patents-in-suit. So  
12 if you look down, it says '683, '516 and '172 patents.

13 THE COURT: Then it has paragraph two. What  
14 does that relate to?

15 MS. STOLL-DeBELL: This is a key to the color  
16 coding within this chart. So the actual claim by  
17 claim analysis starts at the -- really at the top of  
18 page 2, Your Honor.

19 So column A is the actual claims, asserted  
20 claims in this case.

21 THE COURT: Let's see. Wait a minute. In  
22 key No. 5 he says -- no, it's 6. A cell with light  
23 yellow shading indicates a claim that's not asserted  
24 to be anticipated by the reference in its column but  
25 is obvious.

1 MS. STOLL-DeBELL: So, Your Honor, at his  
2 deposition he explained to ePlus, and they asked him  
3 questions about how to understand this claim chart.  
4 In fact, it went on for six pages at his deposition.  
5 And he explained it as this: This Exhibit 3 tells you  
6 where to go for a reference to see where that claim  
7 element is disclosed.

8 If it is shaded green, that means the  
9 reference explicitly teaches that element. If it is  
10 shaded yellow, the reference does not explicitly teach  
11 that element, but it would be obvious in light of that  
12 reference alone.

13 So it's a different kind of obviousness than  
14 obviousness under 103, and he explained this at  
15 length.

16 THE COURT: I don't see where he says in this  
17 claim chart element by element the combination of  
18 J-CON and P.O. Writer makes it obvious as opposed to  
19 it's obvious for some other reason. Can you show me  
20 that so I can get started looking at it?

21 MS. STOLL-DeBELL: He says that in his  
22 report, Your Honor.

23 THE COURT: He doesn't.

24 MS. STOLL-DeBELL: He does.

25 THE COURT: Let me say this. If your theory

1 is that it's adequately disclosed by 236, then I was  
2 wrong. It is not because it's conclusory. If I  
3 thought you were telling me that, and I didn't  
4 understand, I remember the argument we had on this was  
5 that if you read these things carefully, these charts  
6 carefully, you can find the combination. Now you're  
7 telling me you can't find the combination.

8 Unless you can tell me that you can find the  
9 combination of J-CON and P.O. Writer applied on an  
10 element by element basis claim by claim in this  
11 exhibit that you have got, I've got trouble. So let's  
12 go. Because the text doesn't do it.

13 Now, tell me how or where the actual report  
14 does it.

15 MS. STOLL-DeBELL: Well, I think I'm not  
16 understanding what you're asking or you're not  
17 understanding what I'm saying because I think it's a  
18 combination of everything together.

19 THE COURT: No. That's what I'm saying. I  
20 am saying this: You can't combine it all together and  
21 make it read the way you want it to read the way he  
22 should have written it in the beginning.

23 So, for example, I don't think you can take,  
24 Here's J-CON, here's this P.O. Writer, and without an  
25 explanation of why the two combine, then say that

1 paragraph 236 does the job.

2 So I'm asking you now to tell me where in the  
3 exhibit you just handed me, which is Exhibit H to that  
4 motion that we had and has been annotated now with  
5 P.O. Writer and J-CON at the top in handwriting, where  
6 does he do that in this document? If he does, then I  
7 think the problem is solved. If he doesn't, I have  
8 another issue.

9 So where does he do it?

10 MS. STOLL-DeBELL: Well, if you look at the  
11 claim charts, and let's go to page 3.

12 THE COURT: All right. Page 3.

13 MS. STOLL-DeBELL: This is just an example  
14 because it's the same throughout. We're looking at  
15 element 1A. If you see row 17, Your Honor.

16 THE COURT: Wait a minute. 17?

17 MS. STOLL-DeBELL: Yes.

18 THE COURT: Is what follows below the 17, is  
19 that where you want me to look?

20 MS. STOLL-DeBELL: It's above it. So the  
21 number 17 is at the bottom of that row.

22 THE COURT: I don't know what you mean by  
23 row, but there's a number 17, and above it in the far  
24 left-hand column is the number 13. Is that the  
25 boundary of what you want me to look at?

1 MS. STOLL-DeBELL: Yes, sir.

2 THE COURT: All right. Now, asserted claim  
3 is --

4 MS. STOLL-DeBELL: Claim One of the '172.  
5 And you can see that that claim element is a database  
6 containing data relating to items associated with at  
7 least two vendors. That the actual claim element.

8 THE COURT: That's the claim. All right.

9 MS. STOLL-DeBELL: Column B is just short  
10 form to tell you where you're at. So it's the first  
11 element of Claim One of the '172 element 1A. Then we  
12 can go to column K. So --

13 THE COURT: Wait a minute. Column J is P.O.  
14 Writer per interrogatory responses and something. I  
15 don't know what.

16 MS. STOLL-DeBELL: Well, he basically copied  
17 the citations we had in our interrogatory responses.  
18 You can skip over that column.

19 THE COURT: So column J doesn't have anything  
20 to do with this?

21 MS. STOLL-DeBELL: I think it's relevant  
22 disclosure, but I don't think we need to get into it  
23 now. It's not relevant to what we're doing now.

24 THE COURT: In column K, he gives an opinion  
25 re --

1 MS. STOLL-DeBELL: P.O. Writer. And he cites  
2 to the various documents, in this case it's DX 17, to  
3 show where P.O. Writer teaches this element.

4 THE COURT: All right.

5 MS. STOLL-DeBELL: Then skip column R and go  
6 to column S.

7 THE COURT: S is his opinion re: J-CON.

8 MS. STOLL-DeBELL: Yes.

9 THE COURT: Okay.

10 MS. STOLL-DeBELL: And in this column you can  
11 see he has quotes from the J-CON manual about where  
12 J-CON teaches this element.

13 THE COURT: Yes.

14 MS. STOLL-DeBELL: He does this for every  
15 element, which I agree, is required by KSR. You must  
16 say where in each reference you're using in your  
17 obviousness combination that reference teaches these  
18 claim elements.

19 THE COURT: But nowhere does he explain in  
20 this chart how the combination renders the matter  
21 obvious. He does explain, according to you, and he  
22 does this -- it's a funny way of saying things and  
23 doing things, but it perhaps can be read to say that  
24 P.O. Writer, standing alone, it helps render it  
25 obvious. But, you see, the problem is he's really --

1 this chart is built around anticipation, right?

2 MS. STOLL-DeBELL: No.

3 THE COURT: Yes.

4 MS. STOLL-DeBELL: No.

5 THE COURT: And then he says -- this is the  
6 argument you made before. You told me to do this, and  
7 I kind of understood it then. You said you take the  
8 chart, and it was anticipation, and then if you read  
9 the text of 236 it says to the extent it's not  
10 anticipated, it's obvious, and you say it's the same.  
11 Then as to a single reference, I can understand that  
12 perhaps that's one way to read this. Are you  
13 following me?

14 MS. STOLL-DeBELL: I am, and I think that --

15 THE COURT: That's what you just told me,  
16 right?

17 MS. STOLL-DeBELL: I told you earlier, yes.  
18 There is obviousness for a single reference in this  
19 chart. There's obviousness for a combination of  
20 references and there's anticipation.

21 THE COURT: Where is the obviousness for the  
22 combination of J-CON and P.O. Writer in this chart?

23 MS. STOLL-DeBELL: This chart, all it does is  
24 say where each reference teaches each claim element.  
25 Then you go back to the report.

1 THE COURT: Which report? Where?

2 MS. STOLL-DeBELL: To his report.

3 THE COURT: What paragraph?

4 MS. STOLL-DeBELL: Well, let's look at  
5 paragraph 104. That's where he says, My Exhibit 3 is  
6 an invalidity chart. And it deals with anticipation  
7 and obviousness. And he also explained this to  
8 Ms. Albert in his deposition. You have to read them  
9 together, Your Honor.

10 THE COURT: Do you have to read them  
11 together, but nowhere do I see where the combination  
12 is explained. That's what I'm trying to get to.

13 MS. STOLL-DeBELL: So there are two parts you  
14 have to show for obviousness.

15 THE COURT: And I don't want to have any  
16 general sentence or statement. I want it he says in  
17 paragraph such and such at sentence such and such that  
18 there is this combination analysis that's made for  
19 these two things. Where does he say that?

20 MS. STOLL-DeBELL: We go back to 236. But  
21 what I'm saying, Your Honor, for obviousness you have  
22 to have two things, right? You have to have an  
23 element by element analysis to show that somewhere  
24 within your combination of references they teach all  
25 of the elements of the claim. That's what



1 Mr. Robertson was saying with KSR. That's what the  
2 claim chart does.

3 Then you also have to show for obviousness  
4 that there is a reason to combine them together.  
5 That's what paragraph 236 does.

6 THE COURT: But the predicate is that there  
7 are two elements that are combined, and he doesn't say  
8 that in the chart that I see.

9 MS. STOLL-DeBELL: No, he says that in  
10 paragraph 236. He says all of the elements for both  
11 references are taught in Exhibit 3. And I would  
12 combine them for these reasons.

13 THE COURT: Where?

14 MS. STOLL-DeBELL: 236.

15 THE COURT: I'm trying to get there. Okay.  
16 All right. Okay. Excuse me.

17 It is my opinion that such claim would have  
18 been obvious in view of the combination of J-CON with  
19 P.O. Writer, right?

20 MS. STOLL-DeBELL: Yes.

21 THE COURT: Where does he say the reasons?  
22 The only thing that I see that remotely resembles  
23 reasons in 236 is -- that's a conclusion that he just  
24 stated. The reasons sentence is as follows: The same  
25 reasons for making the previous two combinations

1 apply. Now, what are the previous two combinations?

2 MS. STOLL-DeBELL: So we have to go to -- he  
3 talks about RIMS plus Dworkin. That's the first of  
4 the two. And that starts at paragraph 65.

5 THE COURT: What's the next one?

6 MS. STOLL-DeBELL: I'm sorry. Page 65, Your  
7 Honor.

8 The second combination is J-CON plus Dworkin,  
9 and that starts at paragraph 230 on page 67. So --

10 THE COURT: Page what?

11 MS. STOLL-DeBELL: Page 67, paragraph 230.

12 In both of those he explains that all of the claims he  
13 believes are obvious as shown in Exhibits 3 and 4.

14 So, for example, I'm reading paragraph 230 of  
15 page 67. And then he goes on to explain his reasons.  
16 EPlus contends that J-CON is a single source system.  
17 P.O. Writer is a multiple source system. Or he says  
18 that with J-CON and Dworkin.

19 THE COURT: But he's not going to testify  
20 about it.

21 MS. STOLL-DeBELL: He's not.

22 THE COURT: About RIMS plus Dworkin.

23 MS. STOLL-DeBELL: He's not actually.

24 THE COURT: Where are the imported reasons  
25 then? Help me with -- let's take what begins on page

1 65 with the combination of RIMS plus Dworkin, 940.

2 Where is the reason?

3 MS. STOLL-DeBELL: Well, so the reasons start  
4 at paragraph 225 on page 66. But, Your Honor, I'll  
5 tell you that Dr. Shamos, as far as his reasons for  
6 combining J-CON and P.O. Writer, he looks at what he  
7 says in paragraph 236 for that. And then he will rely  
8 on what he says in this claim chart for the element by  
9 element analysis.

10 So I don't intend to have him get up and talk  
11 about RIMS plus Dworkin or --

12 THE COURT: But he can't even do -- so you're  
13 not -- you're taking that sentencing out of the  
14 equation then?

15 MS. STOLL-DeBELL: Yes, because I don't think  
16 we need it. I think he's got a reason why he would  
17 combine J-CON and P.O. Writer in paragraph 236 and  
18 that's what he'll testify to.

19 THE COURT: I'm not talking about that.  
20 You're taking out the sentences, out of 36, that the  
21 same reasons for making the previous two combinations  
22 applies to combining J-CON system as described in the  
23 J-CON system with P.O. Writer Plus V 10 as described  
24 in the P.O. Writer Plus manual. You're taking all of  
25 that out.

1 MS. STOLL-DeBELL: I'm taking all of that out  
2 except to the extent that they say his opinions on  
3 element by element are shown in Exhibits 3 and 4.

4 THE COURT: Where is Exhibit 3 and 4?

5 MS. STOLL-DeBELL: Exhibit 3 is this claim  
6 chart we just looked at. That's Exhibit 3.

7 THE COURT: Okay. What's 4?

8 MS. STOLL-DeBELL: Four is just a shorter --  
9 a shorter version of this.

10 THE COURT: Of 3?

11 MS. STOLL-DeBELL: Yes. It doesn't get into  
12 the actual citations.

13 THE COURT: Okay.

14 MS. STOLL-DeBELL: I don't think we need to  
15 look at Exhibit 4.

16 THE COURT: Then that takes us back to  
17 whether this claim chart that he did shows a  
18 combination.

19 MS. STOLL-DeBELL: I agree.

20 THE COURT: Where does he show a combination?

21 MS. STOLL-DeBELL: It shows where each  
22 reference teaches each element. The reason to combine  
23 those references are in paragraph 236 of his report.

24 THE COURT: And the reason is, "It is my  
25 opinion that such claim would have been obvious in

1 view of the combination of J-CON with P.O. Writer," is  
2 that right?

3 MS. STOLL-DeBELL: Plus it goes on to say,  
4 The P.O. Writer system provided a multiple vendor  
5 capability demanded by the industry at and before the  
6 time of the invention. J-CON included features that  
7 one of ordinary skill in the art would be motivated to  
8 use with the P.O. Writer system including additional  
9 details about performing cross referencing of data  
10 relating to an item or requisition to determine an  
11 alternative source for the same item and/or an  
12 acceptable substitute for the item initially selected.

13 THE COURT: Where does he talk about the  
14 Exhibits 3 and 4 in this paragraph?

15 MS. STOLL-DeBELL: I think he mistakenly did  
16 not refer to Exhibit 3 in this paragraph, Your Honor,  
17 so for that I would refer back up to the two earlier  
18 combinations, paragraph 224 and 230, where he says his  
19 obviousness opinions are shown in Exhibit 3, which is  
20 the one we're talking about here.

21 THE COURT: What paragraph?

22 MS. STOLL-DeBELL: Paragraph 224.

23 The second to last line of paragraph 224 on  
24 page 65, he says the combination teaches all of the  
25 elements of the asserted claims. And then if you go

1 on to page 66, first line, As shown in Exhibits 3 and  
2 4.

3 THE COURT: Exhibits 3 -- I mean, 4 is  
4 nothing but something less than 3?

5 MS. STOLL-DeBELL: Yes.

6 THE COURT: So I don't need to pay attention  
7 to it.

8 MS. STOLL-DeBELL: No. Then he does the same  
9 thing again at paragraph 230. He says the combination  
10 teaches all of the elements. I'm at page 67,  
11 paragraph 230, THE fourth line down. The combination  
12 teaches all the elements of the asserted claims as  
13 shown in Exhibit 3.

14 THE COURT: Okay.

15 MS. STOLL-DeBELL: I mean he should have said  
16 that again for J-CON and P.O. Writer, but he did refer  
17 back up. So he was maybe being shorter than what he  
18 should have been. But the bottom line is the  
19 combination is taught in Exhibit 3.

20 THE COURT: All right.

21 MS. STOLL-DeBELL: Which is the claim chart  
22 in front of you. Also, Your Honor, at paragraph 104  
23 of his report, which is on page 27 -- actually, I'm  
24 sorry. It's paragraph 102 at page 26.

25 THE COURT: 104 says to the extent that any

1 reference.

2 MS. STOLL-DeBELL: I meant to direct you to  
3 paragraph 102, page 26. I'm sorry.

4 THE COURT: 102.

5 MS. STOLL-DeBELL: This is talking about what  
6 Exhibit 3 is, which is the claim chart that you looked  
7 at.

8 Exhibit 3 is an integral part of his report  
9 and contains a claim chart demonstrating the  
10 invalidity of each asserted claim.

11 Exhibit 3 is a spreadsheet in which the rows  
12 are claim elements and steps and columns are prior art  
13 references. A cell corresponding to an element and a  
14 reference contains text if the element is disclosed in  
15 the reference or is obvious in light of the reference.  
16 The color coding is explained.

17 THE COURT: All right. Anything else?

18 MS. STOLL-DeBELL: Yes. In his deposition,  
19 he explained this in detail. They asked him. "Are  
20 you asserting the combination of J-CON and P.O.  
21 Writer?"

22 He answered: Yes.

23 Ms. Albert went through -- she printed up her  
24 version of that Exhibit 3 and he went through and he  
25 explained exactly what it meant, and that it did, in

1 fact, show both anticipation and obviousness. And  
2 walked her through exactly how it was and how the  
3 combinations worked and how they tied back to his  
4 report.

5 THE COURT: What does that do? Because he's  
6 to do this in perspective of his report, not in his  
7 deposition. Do you understand?

8 I think maybe you-all have lost sight of  
9 something. In 1993, the federal rules were amended.  
10 They were amended to prohibit just this sort of  
11 gamesmanship that's going on here. They were amended  
12 to say that an expert must put in his report all of  
13 the things that he's going to rely on, the statement  
14 of reasons, and it must be complete.

15 The very idea, if you look at the history of  
16 it, was to allow me as the receiver of the report to  
17 decide, Well, I'm happy to just rely on this  
18 deposition if I want to because it's got everything in  
19 it. And the other reason was that the expert cannot  
20 go beyond what was in that report. And if he steps  
21 one foot outside that boundary, he cannot testify to  
22 that issue. And you-all seem to have the view that  
23 these rule changes didn't mean anything.

24 And this expert is -- this is the amazing  
25 thing to me about the way this guy has done his



1 report is that he's a lawyer and practiced patent law.

2 My goodness. How could he not know all this?

3 MS. STOLL-DeBELL: Your Honor, I don't think  
4 he's stepping outside of his report. I think every  
5 single slide, especially after I've gone through with  
6 ePlus for hours yesterday, is a verbatim quote from  
7 his report.

8 THE COURT: I want to hear from ePlus now. I  
9 want to get to the basis of this.

10 MS. STOLL-DeBELL: All he did in his  
11 deposition is explain what that chart shows.

12 THE COURT: All right. Let's take Exhibit 3,  
13 which you've got a copied of now. And by the way, I  
14 want this marked as an exhibit for the decisional  
15 process. So make sure I do that.

16 MR. ROBERTSON: For purposes of this, Your  
17 Honor, may I actually hand you the color-coded one?

18 THE COURT: Is that the one you just handed  
19 me last week with the report?

20 MR. ROBERTSON: Yes. Then you have it.

21 THE COURT: A long spreadsheet?

22 MR. ROBERTSON: Yes, sir.

23 THE COURT: Exhibit B?

24 MR. ROBERTSON: Yes.

25 MS. STOLL-DeBELL: Can we have a copy.

1 THE COURT: You have a copy of it. I don't  
2 know whether you have it there.

3 MS. STOLL-DeBELL: Not his color-coded.

4 MR. ROBERTSON: So it was just represented to  
5 you that --

6 THE COURT: Let's take the paragraph that  
7 she's talking about.

8 MR. ROBERTSON: Which paragraph would that  
9 be, Your Honor?

10 THE COURT: It's on page 3. She said that I  
11 can add on page 3, Exhibit 3, Shamos opinion re P.O.  
12 Writer, plus Shamos' opinion -- well, it's not the  
13 same. This isn't the same thing that she gave me.

14 MR. ROBERTSON: That's the chart that was  
15 given to us with Dr. Shamos' report, and it was  
16 color-coded a Ms. Stoll-DeBell just indicated.

17 THE COURT: Do you have this thing she handed  
18 out to me, P.O. Writer/J-CON? Did you give him a  
19 copy, Ms. Stoll-DeBell?

20 MS. STOLL-DeBELL: I did, Your Honor. The  
21 only difference is the little boxes I added in with  
22 the trial exhibit numbers because when it was created,  
23 we didn't have trial exhibits. So that's the only  
24 thing I did to this.

25 THE COURT: But the point is does he have it

1 in front of him?

2 MR. ROBERTSON: I think I may. I'm trying to  
3 get oriented. Is this it?

4 MS. STOLL-DeBELL: Yes.

5 THE COURT: All right. If you turn to page 3  
6 of that report, that exhibit, it deals with the '172  
7 patent and the one. And it says, "Shamos opinion P.O.  
8 Writer" and "Shamos opinion re J-CON."

9 MR. ROBERTSON: Yes, Your Honor.

10 THE COURT: Okay. Now, she acknowledges that  
11 that chart does not combine P.O. Writer and J-CON.

12 MR. ROBERTSON: Yes.

13 THE COURT: It doesn't do it. But she says  
14 it is done by 236. How is it done by 236? It is  
15 done, she says, in two ways. The first sentence says  
16 to the extent it's not deemed to anticipate it is my  
17 opinion that such claim would have been obvious in  
18 view of the combination of J-CON and P.O. Writer.

19 And then the reasons he gives are the same  
20 reason for making the previous two combinations apply  
21 to combining the J-CON system as described in the  
22 J-CON manual with P.O. Writer Plus V 10 as described  
23 in the P.O. Writer Plus manual.

24 And that, she says, really refers back to  
25 Exhibits 3 and 4 and the paragraphs that deal with the

1 combination of RIMS and Dworkin and J-CON and Dworkin.  
2 And they show a combination. And he incorporated the  
3 same reasoning by reference. Therefore, the  
4 information has been presented as to the combination.

5 Now, why isn't that show? That's your  
6 argument, isn't it, Ms. Stoll-DeBell?

7 MS. STOLL-DeBELL: Yes.

8 THE COURT: Okay.

9 MR. ROBERTSON: For several reasons, Your  
10 Honor. First, with respect to the combinations of  
11 RIMS and Dworkin, I don't even know how we could apply  
12 the combinations of J-CON and P.O. Writer. They are  
13 two separate complete difference references to try and  
14 say that something shows something and something  
15 different shows something else. I can't even follow.  
16 But it doesn't do it on a claim by claim basis. It's  
17 very conclusory.

18 In fact, if you look back at the combinations  
19 he has for RIMS and Dworkin, and for I believe it was  
20 J-CON and Dworkin, it's almost equally as conclusory  
21 as the representation with the combination of J-CON  
22 and P.O. Writer.

23 He doesn't go through all the separate claims  
24 that are at issue. He doesn't go through all the  
25 separate elements. And what they want to do is they

1 want to go to this Exhibit 3, which was an  
2 anticipation chart because it was color-coded. And  
3 you'll see green is indicated as being anticipation.  
4 And almost every single one -- in fact, for P.O.  
5 Writer and J-CON every single representation is in  
6 green, that it's anticipated.

7           So what they want to do is say we can just  
8 put those together. But how are we, ePlus, to know  
9 which element from J-CON you're combining with which  
10 element from P.O. Writer?

11           In fact, I would suggest, Your Honor, that  
12 the number of permutations that could be combined for  
13 that are almost infinite because I have no idea what  
14 they are relying on and what they're not.

15           But what's most revealing, Your Honor, is  
16 that they were able to do it over the weekend when  
17 they made 22 slides that they now want to do on a  
18 claim by claim and element basis for J-CON and P.O.  
19 Writer.

20           If they could do it this past weekend, why  
21 couldn't they do it months ago when Dr. Shamos had to  
22 do his report, months ago when the Court ordered the  
23 second supplemental, and months ago when the Court  
24 said the scheduling order required them to do the  
25 analysis on a claim by claim basis?

1           So then to come up with it now, I would  
2 suggest to Your Honor, is just complete surprise and a  
3 litigation by ambush that we now have to deal with and  
4 try and figure out for the first time how I'm supposed  
5 to cross-examine on these things.

6           THE COURT: Are you basically moving under  
7 Rule 37 for preclusion of the evidence for failure to  
8 comply with the requirement that they provide this  
9 ahead of time at trial? I mean, ahead of time in  
10 response to the second supplemental?

11          MR. ROBERTSON: These new --

12          THE COURT: Is that your theory?

13          MR. ROBERTSON: Yes, sir, that's part of our  
14 theory.

15          THE COURT: What's the other part of it?

16          MR. ROBERTSON: The other part of the theory  
17 is they had an obligation under the final pretrial  
18 order to focus in on what the facts were going to be,  
19 present it to the Court --

20          THE COURT: What part of the final pretrial  
21 order did they disobey?

22          MR. ROBERTSON: I think they had to identify  
23 what the triable issues were, and they had to identify  
24 what they were going to rely on for those triable  
25 issues, and they incorporated, I believe, the expert

1 report.

2 We should have been entitled to rely on a  
3 representation that this was going to be anticipation,  
4 and if you were going to do obviousness --

5 THE COURT: This meaning what was the  
6 original iteration? The document from which Exhibit 3  
7 was taken.

8 MR. ROBERTSON: Yes, sir.

9 THE COURT: Or the original Exhibit 3 to the  
10 report of Dr. Shamos.

11 MR. ROBERTSON: Yes.

12 And, specifically, we're seeking exclusion of  
13 those -- I'm sorry. It also specifically, Your Honor,  
14 since we're introducing these slides or they are  
15 attempting to introduce these slides, this is rife  
16 with mischief for presenting evidence that is, I  
17 think, outside of the Court's rulings and would just  
18 create undo confusion.

19 THE COURT: Rife with mischief really is a  
20 way of saying that there is a potential for other  
21 prejudice, but you don't really know what it is. So I  
22 can't rule on that basis. You don't make decisions on  
23 sanctions for exclusion on that kind of apprehension.  
24 That just wouldn't be right. So let's don't do that.  
25 Don't invite the error.

1 MR. ROBERTSON: Understood. Let me just  
2 suggest, I suppose the paragraphs that are in there in  
3 their conclusory fashion were disclosed to us and  
4 could perhaps be the subject of cross-examination of  
5 Dr. Shamos on specifically the only thing he said  
6 without reference to these exhibits.

7 I think I understood that Exhibit 4 they are  
8 not referencing because if you look at Exhibit 4, all  
9 the opinions were anticipation opinions and not  
10 obviousness opinions.

11 So if this is excluded and only --

12 THE COURT: This meaning --

13 MR. ROBERTSON: This meaning Exhibit 3 where  
14 they purport to have this detailed analysis for  
15 invalidity.

16 THE COURT: They're not offering Exhibit 3.  
17 That was Exhibit 3 to the report.

18 MR. ROBERTSON: But they are offering now the  
19 analysis that was an anticipation analysis.

20 THE COURT: What they are saying is that what  
21 he's going to testify to is shown there in the claim  
22 by claim basis which has been explained as an  
23 obviousness argument by reading paragraph 236 in  
24 conjunction with that and by considering the  
25 incorporated parts of the RIMS Dworkin combo and the



1 J-CON Dworkin combo that's incorporated in 236.

2 That's what they are offering.

3 MR. ROBERTSON: But there was never any  
4 disclosure as to which elements of RIMS or which  
5 elements of Dworkin or which elements of P.O. Writer  
6 or which elements of J-CON were going to be combined.

7 THE COURT: You're just basically revisiting  
8 the ruling that I made week, aren't you? Not last  
9 week. It seems like a year and a half ago.

10 MS. STOLL-DeBELL: December 30.

11 THE COURT: It was the end of the year. It  
12 was your New Year's present. Isn't that what we're  
13 doing now? And you're doing it in perspective of the  
14 fact that I have a better understanding of all of what  
15 it's about now that it's been narrowed down in the  
16 fashion it's been narrowed down? Is that really where  
17 we are?

18 MR. ROBERTSON: Sir --

19 THE COURT: Yes or no?

20 MR. ROBERTSON: Yes, in this sense, though.  
21 It has been perfectly focused now by the fact they  
22 came forward with these slides that were not revealed  
23 to us before would show how inadequate their  
24 disclosures were before and what they really were  
25 trying to do here. That was my suspicion back then.

1 I think the Court had some apprehension. I don't  
2 think the issue was perfectly focused because it  
3 hadn't occurred, but now it's occurring right before  
4 us.

5 THE COURT: It's occurring meaning?

6 MR. ROBERTSON: That they are offering now  
7 these new opinions in combinations that were not  
8 disclosed in the report. So I think Rule 37 most  
9 certainly is an appropriate vehicle for dealing with  
10 this issue at this time.

11 THE COURT: Any other reasons that have  
12 besides what you have just said?

13 MR. ROBERTSON: Well, other than the fact  
14 that I would think even the paragraphs that they would  
15 like to rely on, for example 236, don't satisfy the  
16 standard that the Supreme Court requires in the *KSR*  
17 case or that the Federal Circuit has now reemphasized  
18 in the *Innogenetics* case that I gave you.

19 And I might just say, Your Honor, to the  
20 extent now they are relying on these --

21 THE COURT: What page of *Innogenetics* were  
22 you relying on?

23 MR. ROBERTSON: It's 1373, Your Honor.

24 THE COURT: It's near the end of the opinion?

25 MR. ROBERTSON: I believe so. I have just

1 have an excerpt in front of me.

2 THE COURT: Does it have -- I think they are  
3 entitled to know, and I'd like to know, too, does it  
4 have a headnotes so we can all make an easy jump  
5 there?

6 MR. ROBERTSON: I just have an excerpt from  
7 it.

8 THE COURT: Ms. Haggard has given me pages 15  
9 and 16 of the report. Maybe that's what you're  
10 talking about. Read me what yours starts with.

11 MR. ROBERTSON: The District Court did not  
12 err in finding the defendant's expert report on the  
13 alleged obviousness of the asserted claims of the  
14 patent at issue was deficient for purposes of  
15 disclosure under Rule 26.

16 THE COURT: All right. Hold on. Well, I  
17 think I see. Invalidity obviousness starts on page 12  
18 of the printout. And that would be on page --

19 MS. STOLL-DeBELL: Your Honor --

20 THE COURT: 1372. And now I need -- what  
21 you're reading from is Dr. Patterson's testimony  
22 headnote 15? And then it says, "The District Court  
23 did not err in finding that Dr. Patterson's report on  
24 the alleged obviousness of the '704 patent was  
25 deficient for purposes of disclosure under Rule 26."

1 MS. STOLL-DeBELL: Your Honor, I'm not sure  
2 what you're looking at. We don't have a copy.

3 MR. ROBERTSON: Your Honor, I don't even have  
4 a copy of the case. I have a copy of an excerpt that  
5 I had from a memo that was prepared, which I was  
6 quoting from, but it's at that --

7 THE COURT: That's where I was starting.

8 Now, excuse me, Ms. Stoll-DeBell. What would  
9 you like to say because you-all were talking over  
10 behind Mr. Robertson and while he and I were talking,  
11 and I didn't hear.

12 MS. STOLL-DeBELL: I apologize for that.

13 I don't have a copy of what you're looking  
14 at.

15 THE COURT: Why do you need a copy of any law  
16 when it's cited?

17 MS. STOLL-DeBELL: I would like to be able to  
18 respond to it.

19 THE COURT: You do?

20 MS. STOLL-DeBELL: I do, yes.

21 THE COURT: Does anybody have a copy for her?

22 MR. ROBERTSON: It is the *Innogenetics* case.

23 THE COURT: And the text, just so you won't  
24 have to go through the agony I went through -- are you  
25 going to print her a copy?

1 MS. HAGGARD: Yes.

2 THE COURT: Is there a way to print only page  
3 12? I know that you can do that, but that's what he's  
4 talking about is page 12 through 14 because that then  
5 picks up with the anticipation issue.

6 MS. STOLL-DeBELL: Yeah. Maybe we should  
7 print another page.

8 MS. HAGGARD: I'll put that on top.

9 MS. STOLL-DeBELL: Thank you.

10 THE COURT: Ms. Haggard's hourly fee is very  
11 significant, and the Lexus time is very valuable.

12 Okay. Let's go. Where does the quote that  
13 you were relying on end, Mr. Robertson?

14 MR. ROBERTSON: I'm sorry, Your Honor. I  
15 didn't hear you.

16 THE COURT: Where was the quote in  
17 *Innogenetics* that you were relying on, where does it  
18 end? What's the concluding paragraph or sentence?

19 MR. ROBERTSON: I think the important parts  
20 of it, for example, are after where the Federal  
21 Circuit finds the District Court did not err in  
22 finding that the report was deficient for purposes of  
23 disclosure goes on to say for each of the claims he  
24 analyzes for obviousness, it's referring to the expert  
25 there, merely lists the number of prior art references

1 and then concludes with the stock phrase to one  
2 skilled in the art, it would have been obvious to have  
3 performed the -- and this was the genotyping methods  
4 of the claims at issue.

5 There must be some articulated reason with  
6 some rational underpinning to support the legal  
7 conclusions of obviousness.

8 Nowhere does, again this is the defendant's  
9 expert, state how or why a person of ordinary skill in  
10 the art could have found the claims of the  
11 patents-in-suit obvious in light of some combination  
12 of those particular references. It goes on to say, As  
13 the District Court found, it is not credible to think  
14 that a lay jury could examine the prior art that  
15 defendant cited as prior art or any of the other  
16 references and determine on its own whether there were  
17 differences among them and the patents at issue.

18 Such vague testimony would not have been  
19 helpful to a lay jury in averting the pitfalls of  
20 hindsight that belie a determination of obviousness.

21 THE COURT: You took some liberties with the  
22 quotation, but not in any material way. You left out  
23 the specifics and put in like the patent at issue is  
24 the '704 patent, and a person ordinarily skilled in  
25 the art was the text instead of person of ordinary

1 skill in the art, but it doesn't change the meaning.

2 MR. ROBERTSON: I apologize, Your Honor. I  
3 just have an excerpt.

4 THE COURT: I understand, and I'm not  
5 criticizing you. I'm trying to save Ms. Stoll-DeBell  
6 some time so she can get on with life.

7 What's that fellow from BP who said he just  
8 wants his life back? I now for the first time can  
9 appreciate how he felt.

10 MR. ROBERTSON: I would again rely on the  
11 Supreme Court's most recent pronouncement which  
12 indicates --

13 THE COURT: Which is KSR?

14 MR. ROBERTSON: Yes, sir. And this is at  
15 page 418 of the decision. I think it's at page 1741  
16 of the Supreme Court Reporter.

17 It's necessary for a court, and I'm  
18 paraphrasing here, to look at the interrelated  
19 teachings, demand of the design community, the  
20 background of a person having ordinary skill in the  
21 art in order to determine whether there's an apparent  
22 reason to combine the known elements in the fashion  
23 claimed by the patent at issue. To facilitate this  
24 review, analysis should be made explicit.

25 And I would suggest, Your Honor, that the

1 Court required that explicit analysis both in its  
2 initial scheduling order when it required an element  
3 by element, claim by claim analysis, and it required  
4 it again in the second supplemental statement. And it  
5 clearly, I think, the evidence that this could have  
6 been done is the fact that over the weekend we now  
7 have these element by element, claim by claim --

8 THE COURT: Can I see what you're talking  
9 about, the 22 slides, so that I can compare them to  
10 the charts that I have here? That's the argument  
11 you're making and inveighing me to do. So I think I  
12 need to see what you're looking at.

13 You said 22 slides. I want the 22 that  
14 you're talking about. I don't want the list. I want  
15 the slides. And I want to know -- that's more than  
16 22.

17 MR. ROBERTSON: The red flags are the 22,  
18 Your Honor.

19 THE COURT: Well, here, I've got this. This  
20 is what I've got. Is this what you handed up  
21 yesterday? You tell me what pages they are in here.  
22 I've got this thing.

23 MS. STOLL-DeBELL: Do you have the slides  
24 from yesterday?

25 THE COURT: I have what he gave me. It goes



1 through 165. That's what he just handed up to me.

2 MS. STOLL-DeBELL: Because we deleted a lot,  
3 Your Honor. You'll see big red X's. Those are the  
4 ones we deleted. We put red X's through so the  
5 numbers wouldn't change.

6 THE COURT: All right. Would you like to  
7 tell me where to look for the first one?

8 MR. ROBERTSON: Yes, Your Honor. For the  
9 first time we're seeing here representation to Claim  
10 One of the '516.

11 THE COURT: Give me the page number in the  
12 lower right-hand corner.

13 MR. ROBERTSON: I'm sorry, sir. 99.

14 THE COURT: Okay.

15 MR. ROBERTSON: Do you see what he's doing?

16 THE COURT: Wait a minute. On Exhibit 3, Ms.  
17 Stoll-DeBell, he says, "Refer to DX 141, P.O. Writer,  
18 Exhibit 3, cell 34." Is that this Exhibit 3 that I've  
19 got here?

20 MS. STOLL-DeBELL: Yes, Your Honor.

21 THE COURT: Where is cell 34? Is that that  
22 numbered column the left?

23 MS. STOLL-DeBELL: Yes.

24 THE COURT: Hold on. That is 34. Okay.

25 MS. STOLL-DeBELL: So K 34 is on --

1 THE COURT: Page 6?

2 MS. STOLL-DeBELL: Yes.

3 THE COURT: I need to look at Shamos' opinion  
4 re P.O. Writer in column K, Shamos opinion re J-CON in  
5 column S.

6 MS. STOLL-DeBELL: Just to make the record  
7 clear, Your Honor, that red box, we're not going to  
8 show the jury. That's directions to Mr. McDonald to  
9 actually get into that DX141 and show that page.

10 THE COURT: That's fine, but it helps me to  
11 understand it.

12 All right. Using that as an example, what's  
13 wrong?

14 MR. ROBERTSON: Your Honor, I've just been  
15 handed this for the first time. I haven't even been  
16 able to open the page to it.

17 THE COURT: You think you got it after I did?

18 MS. STOLL-DeBELL: No, I think that we gave  
19 them yesterday morning slides that had cites to  
20 exactly the cells in Exhibit 3 for each specific  
21 paragraph on each slide.

22 THE COURT: Do you have now this abridged  
23 version that she handed me? It starts off with '516,  
24 Claim One, page 99. And he's basically saying, Take a  
25 look at Exhibit 3, and under P.O. Writer, the text of

1 this slide is the same as the text of the first column  
2 under K. P.O. Writer is an electronic system for use  
3 by a prospective buyer to locate and find items,  
4 sources, suppliers or vendors.

5 Then under J-CON, column S, it says, Part  
6 finder. I have to find part finder. Oh, here it is.  
7 Part finder is an electronic system for use by a  
8 prospective buyer to locate and find items from  
9 sources, suppliers or vendors based on -- that's what  
10 page 99 says. And there's no text.

11 MS. STOLL-DeBELL: Your Honor, that J-CON  
12 comes from cell S 34 on the same page you're looking  
13 at.

14 THE COURT: I don't see it. It doesn't say  
15 that.

16 MS. STOLL-DeBELL: It's the second paragraph.  
17 So you're looking at S 34, and the second paragraph  
18 says, Retail. Locating items is disclosed at L012360.  
19 Then it has that exact quote in it, and it cites to  
20 that same Bates number.

21 THE COURT: All right.

22 MS. STOLL-DeBELL: It's actually an exact  
23 quote out of Exhibit 3. That's all this slide is.

24 THE COURT: I understand. Actually, it's not  
25 an exact quote. It begins with the part finder part

1 under retail, not with locating.

2 MS. STOLL-DeBELL: That's true.

3 THE COURT: Okay. Now I've got it.

4 So you had this a long time ago. This  
5 information. The same information that is on 99 you  
6 had a long time ago, she says. And if you look at  
7 claim -- if you look at K, column K and column S, you  
8 did have it a long time ago whenever you got his  
9 report that had Exhibit 3 in it, didn't you?

10 MR. ROBERTSON: Your Honor, I'm trying -- I  
11 apologize. I'm trying to find where we are on P.O.  
12 Writer. This is column 34. There was no --

13 THE COURT: You should be on page 6.

14 MR. ROBERTSON: I am on page 6.

15 THE COURT: If you look under column K, the  
16 reference to P.O. Writer at the bottom of the slide,  
17 page 99, is a direct quote from the first entry under  
18 column K, Shamos opinion re P.O. Writer.

19 Then if you go over to column S under Shamos  
20 opinion re J-CON in the second paragraph "(Retail),"  
21 beginning with the second sentence, "PartFinder" is a  
22 direct quote from that column. So you had these two  
23 quotes on Exhibit 3.

24 MR. ROBERTSON: I had this anticipation  
25 chart, Your Honor, that says this element was going to

1 be anticipated, yes. No one ever said here's how  
2 we're going to combine these two.

3 If we're just doing it for one, there are an  
4 infinite number of combinations.

5 THE COURT: We have need to do it for one so  
6 I can understand. Remember how far ahead you-all are  
7 and also will be of me. I'm behind. And I don't have  
8 the capacity of Silky Sullivan. You don't even know  
9 who that is, do you?

10 I've gone to page 6 of the original of  
11 Exhibit 3 and it is in green. And green is what?  
12 What's the color code for green?

13 MR. ROBERTSON: Invalidity, Your Honor.  
14 Anticipation.

15 THE COURT: Wait a minute. I thought senior  
16 judges could get out of this kind of work.

17 "A cell with light green shading indicates a  
18 claim element that is anticipated by the reference in  
19 its column (possibly also asserted to be obvious)."

20 MS. STOLL-DeBELL: That's right.

21 THE COURT: Okay. So you had all this.

22 MR. ROBERTSON: Your Honor, if you look at  
23 this chart, all of them are color green. So all of  
24 them are possibly obvious. But, again, it doesn't  
25 tell us on a claim by claim, element by element basis

1    which ones they are going to select and which ones  
2    they are not.

3               So the selection was made for the first time  
4    for these slides. That's the first time it was  
5    revealed to us in all these things because remember --

6               THE COURT: So you're claiming surprise and  
7    prejudice?

8               MR. ROBERTSON: Yes, sir, because --

9               THE COURT: You're relying on the *Southern*  
10   *States* test or do you have another test you want me to  
11   apply?

12              MR. ROBERTSON: Yes, sir. That's the test  
13   I'd like you to apply. I could not discern from this  
14   color-coded chart which combination was going to be  
15   presented at any time.

16              THE COURT: Okay. Anything else?

17              MR. ROBERTSON: No, sir.

18              THE COURT: Smart as you are, you could  
19   figure that out, couldn't you?

20              MR. ROBERTSON: No, sir. Not with that  
21   number of elements. At one point, Your Honor, I had  
22   to tell them they had to get down to seven references.  
23   We were dealing with dozens at this point.

24              I can't tell until -- in fact, I was  
25   surprised to see it for the first time on the weekend.

1 THE COURT: I shouldn't have said that. I  
2 invited that barrage.

3 All right. This is going to be the end of  
4 it. I'm going to have to decide now.

5 Okay, Ms. Stoll-DeBell.

6 MS. STOLL-DeBELL: Let me start off by saying  
7 that every slide that we intend to use, we did cut  
8 them down substantially, but every slide goes exactly  
9 right back to this Exhibit 3.

10 THE COURT: What? I lost --

11 MS. STOLL-DeBELL: Every slide that we intend  
12 to use today with J-CON and P.O. Writer goes exactly  
13 back to Exhibit 3, just like you saw that slide 99.  
14 We have checked it, doublechecked it, triplechecked  
15 it. We're not going to say anything other than what's  
16 in here. We're not going to go to a document other  
17 than what's in here, and we're not even going to go to  
18 a quote in a document that's not in here.

19 THE COURT: Thank you.

20 MS. STOLL-DeBELL: So they have had all of  
21 this information. They didn't even raise this issue  
22 until about two weeks ago, Your Honor, and they did so  
23 in the guise of a motion to enforce prior Court  
24 orders.

25 There was no prior Court order on this. You

1 never precluded this before. And you can look at  
2 their bench brief, Your Honor, that they filed this  
3 week, and there's a chart here I'm happy to hand it  
4 up. They said we can rely on J-CON and P.O. Writer.  
5 If they thought it wasn't sufficient, they could have  
6 filed a motion for summary judgment. They could have  
7 filed a motion to preclude. In fact, they filed  
8 countless numbers of motions to preclude us to do  
9 things, and this was not one of them.

10 THE COURT: I think --

11 MS. STOLL-DeBELL: The day before Dr. Shamos  
12 is supposed to go on the stand all of a sudden we  
13 can't make an argument we've disclosed all along. It  
14 was in our second supplemental invalidity contentions.  
15 I can give you the pages for that. So that's why it  
16 wasn't part of a prior Court order.

17 This is ambush. It's ambush to show up on  
18 the day that our expert supposed to go on the stand  
19 and say we didn't properly disclose something.

20 THE COURT: They made this same argument back  
21 awhile ago, and I think one of the reasons that I made  
22 the decision on December 30, and I didn't identify any  
23 Court order that was involved, according to you.  
24 That's what I think you said, right?

25 MS. STOLL-DeBELL: That's right, Your Honor.



1 There was no Court order precluding it. They never  
2 asked you to preclude it.

3 THE COURT: Not to preclude it, but to do  
4 something. He says that the Court order to do  
5 something was to do this pursuant to the second  
6 supplemental -- the order that required the second  
7 supplemental -- supplement to the interrogatory, which  
8 had to do with outlining all your references and  
9 claims by claim analysis.

10 MS. STOLL-DeBELL: And we did at pages 104 to  
11 page 120 of our second supplemental invalidity  
12 contentions, we set forth element by element analysis  
13 of J-CON plus P.O. Writer. So we did do that. We  
14 disclosed it to them long ago.

15 THE COURT: Where is that?

16 MS. STOLL-DeBELL: The second supplemental  
17 invalidity contentions.

18 THE COURT: What are the paragraphs that  
19 you're referring to?

20 MS. STOLL-DeBELL: I don't think we actually  
21 have a copy of it. I can cite pages to it Your Honor.  
22 I could show you on the computer. I don't think they  
23 contest that we disclosed J-CON plus P.O. Writer in  
24 our second supplemental invalidity contentions.

25 THE COURT: No, I don't think they contest

1 that. I think they contest you didn't do what you  
2 were supposed to do, the element by element that  
3 you're doing now.

4 MS. STOLL-DeBELL: If they contested that,  
5 they should have raised it long ago.

6 THE COURT: They did raise it on December 30.

7 MS. STOLL-DeBELL: In the guise of a motion  
8 to enforce a Court order. That was a  
9 misrepresentation. There was never a Court order that  
10 said we shouldn't be able to raise this combination.

11 THE COURT: That's true. That isn't what the  
12 issue was. The issue is that you didn't disclose the  
13 combination adequately in anything that you did.

14 Where are those supplemental interrogatory  
15 answers? Have they got them? Did the gentleman back  
16 there for ePlus, did he come up with them?

17 MR. ROBERTSON: Your Honor may recall that  
18 they are circumscribed by what was in Dr. Shamos'  
19 report. That Dr. Shamos couldn't testify unless it  
20 was in the second supplemental, but he doesn't have  
21 any of that analysis in the second supplemental.

22 THE COURT: Can I have the page?

23 MS. STOLL-DeBELL: Page 104, I believe, Your  
24 Honor. I don't have a copy in front of me, but that's  
25 what I believe where J-CON plus P.O. Writer starts.

1 Did you find page 104, Your Honor?

2 THE COURT: Yes.

3 MS. STOLL-DeBELL: Okay.

4 THE COURT: All right.

5 MS. STOLL-DeBELL: And it goes to page 120

6 for J-CON plus P.O. Writer.

7 THE COURT: All right, Mr. Robertson, doesn't  
8 this go on a claim by claim basis?

9 MR. ROBERTSON: I'm sorry?

10 THE COURT: Doesn't this go on a claim by  
11 claim basis?

12 MR. ROBERTSON: It does, but Dr. Shamos  
13 disclaimed these interrogatory answers in his report  
14 and said he didn't rely on that, and that he had his  
15 own opinions, and that's what we relied on. And the  
16 Court's ruling was he was confined to his report as it  
17 was circumscribed from the second supplemental.

18 This is not in Dr. Shamos' report. And we  
19 also mention, Your Honor, the scheduling order also  
20 required there be this element by element, claim by  
21 claim basis.

22 MS. STOLL-DeBELL: I'm not saying we're using  
23 the second supplemental for Dr. Shamos. He has his  
24 report and he's going to use his report. I'm merely  
25 saying we disclosed J-CON plus P.O. Writer in the

1 second supplemental as we were required to do, and  
2 then Dr. Shamos has his own opinion on J-CON and P.O.  
3 Writer.

4 There was not a Court order precluding us  
5 from raising J-CON plus P.O. Writer.

6 THE COURT: Thank you.

7 MR. ROBERTSON: I'm not suggesting --

8 THE COURT: Just a minute. Are you through?

9 MS. STOLL-DeBELL: I think so. Other than to  
10 just say, again, he did say the how and why to do the  
11 combination in that paragraph 236. I think it's  
12 sufficient enough to let it go to the jury, Your  
13 Honor.

14 THE COURT: Okay. I understand. Now, the  
15 question I have for Mr. Robertson. What is your  
16 motion? What is your request and what is the ground  
17 for it?

18 If you proceed under Rule 37 for violating a  
19 Court order, you have to identify the Court order. If  
20 you proceed under Rule 37, the failing to make a  
21 disclosure, you have to tell me that's what it is.

22 If you're not, and you said you were going  
23 under Rule 37, and you wanted me to apply the  
24 rationale of Rule 37, that analysis was based on  
25 *Rambus v. Infineon*, which has to do with failure to

1 make disclosures and the test to be used for failure  
2 to make disclosure.

3 I guess what you're saying now is that we  
4 ordered expert reports, and the expert reports had to  
5 have claim by claim analysis in order to satisfy the  
6 Supreme Court and Fourth Circuit opinions on  
7 obviousness, and they didn't do it. So they didn't  
8 make an adequate disclosure until just the other day,  
9 and you were surprised, and you're prejudiced, and,  
10 therefore, that's what I should be doing under Rule 37  
11 or is it something else?

12 MR. ROBERTSON: Yes, sir. Your scheduling  
13 order specifically stated that we had to comply with  
14 Federal Rules of Civil Procedure with respect to  
15 expert disclosures, and what they needed to contain,  
16 and how there should not be any surprise with respect  
17 to that. And I think we have been surprised by the  
18 fact that now Dr. Shamos is going to be testifying  
19 about things that weren't disclosed.

20 THE COURT: How have you been surprised if  
21 you knew the answers, if you knew what he was going to  
22 do in the interrogatory answers?

23 MR. ROBERTSON: Because he did not rely on  
24 the interrogatory answers. In fact, he actually  
25 disclaims the interrogatory answers in his report, and

1 he didn't say, I'm incorporating the second  
2 supplemental statement and the analysis in there in my  
3 report.

4 He said, I'm giving you new claim charts, and  
5 I'm giving you these paragraphs, and that's going to  
6 be the basis of my testimony. And now what they want  
7 to do is fall back on something that they actually  
8 indicated that they weren't going to rely on.

9 If Dr. Shamos --

10 THE COURT: You mean the expert indicated he  
11 wasn't going to rely on, i.e., the interrogatory  
12 answers?

13 MR. ROBERTSON: Excuse me, sir?

14 THE COURT: I.e., the interrogatory answers?

15 MR. ROBERTSON: Yes, sir. He said he had his  
16 own opinions.

17 THE COURT: All right.

18 MS. STOLL-DeBELL: Your Honor, could I just  
19 point out one little thing. He did not disclaim the  
20 interrogatory answers. He said he adopted the  
21 citations.

22 Paragraph 3 of his report, 103, page 26.

23 THE COURT: What?

24 MS. STOLL-DeBELL: Dr. Shamos --

25 THE COURT: Where?

1 MS. STOLL-DeBELL: Shamos' report.

2 THE COURT: What paragraph?

3 MS. STOLL-DeBELL: Page 26, paragraph 103.

4 It starts at the very bottom of page 26. And this is  
5 those columns, Your Honor, J and R that we sort of  
6 skipped over.

7 THE COURT: I understand.

8 MS. STOLL-DeBELL: He says, I adopt the prior  
9 art citations from Lawson's interrogatories. I adopt  
10 them.

11 THE COURT: The prior art. He says, Exhibit  
12 3 also contains matters from Lawson's interrogatories  
13 concerning invalidity, which are included in columns  
14 that are distinct from my opinions. I adopt the prior  
15 art citations from Lawson's interrogatories, but I do  
16 not necessarily adopt the opinions expressed in the  
17 interrogatories concerning which claims are invalid in  
18 the light of which references.

19 On that issue, I have expressed my own  
20 opinion in columns containing the heading beginning  
21 Shamos opinion.

22 MS. STOLL-DeBELL: That's right. He doesn't  
23 necessarily adopt them, but he doesn't say he  
24 disclaims them either, Your Honor. And for the most  
25 part those citations are very similar if not identical

1 to what we had in our second supplemental.

2 THE COURT: All right. Thank you.

3 MS. STOLL-DeBELL: Thank you.

4 MR. ROBERTSON: I just have one last point.

5 THE COURT: You have the burden to carry the  
6 proof on the motion. So you can have the last word,  
7 but this is the last word.

8 MR. ROBERTSON: Yes, Your Honor.

9 Just last night Ms. Stoll-DeBell emailed us  
10 and told us that they would not be relying on any the  
11 columns that were in the report that contained the  
12 interrogatory answers.

13 THE COURT: All right. Before me is a motion  
14 to foreclose the testimony of Dr. Shamos in its  
15 entirety on the issue of obviousness that arises from  
16 the combination of the J-CON and the P.O. Writer. The  
17 ground for that request is the violation of the  
18 scheduling order, which requires claim by claim  
19 analysis of any obviousness as well as the  
20 requirements of the federal rules which requires the  
21 expert to state fully the grounds of the opinion, the  
22 reasons therefore, and the materials cited in respect  
23 thereof, and as those rules would be applied under the  
24 instruction of the Supreme Court of the United States  
25 in *KSR* and of the Federal Circuit in *Innogenetics* and



1 Kahn.

2 And the requested relief is to preclude Dr.  
3 Shamos from testifying at all on the invalidity of  
4 J-CON Plus in combination with P.O. Writer. Is that  
5 the basic relief you seek?

6 MR. ROBERTSON: Yes, Your Honor. I would  
7 just make one point. The same analysis would apply  
8 both to TV/2 and RIMS.

9 THE COURT: We're not arguing TV/2 and RIMS.

10 MR. ROBERTSON: All right. And also --

11 THE COURT: That's not here and you're not  
12 going to bootstrap it. And it's not before me. I  
13 haven't been through -- I don't know how long we've  
14 been sitting here. Over an hour and a half. Don't be  
15 doing that anymore. Sit down.

16 MR. ROBERTSON: Your Honor, I just want to  
17 say, well, to the extent that they haven't presented  
18 that analysis, Dr. Staats' fact testimony --

19 THE COURT: I'm dealing with something else.  
20 I'm talking about Dr. Shamos' report.

21 MR. ROBERTSON: Yes. That's the relief, Your  
22 Honor.

23 THE COURT: All right. At the beginning of  
24 the argument, ePlus' counsel said that it would be  
25 sufficient if Dr. Shamos were confined to the text of

1 paragraph 236, and then said but that paragraph  
2 basically doesn't comply with *KSR* requirements or  
3 *Innogenetics* requirements as well.

4 The response of ePlus is that in response to  
5 the order requiring it to answer second supplemental  
6 interrogatories, it provided interrogatory answers  
7 that go from page 104 to 120 that outline the  
8 combination of J-CON and P.O. Writer. And that is  
9 correct. Lawson did, in fact, do that.

10 However, in his report Dr. Shamos said that  
11 his claim chart, Exhibit 3, also contains matters from  
12 Lawson's interrogatories concerning invalidity which  
13 are included in columns that are distinct from my  
14 opinions. I adopt the prior art citations from  
15 Lawson's interrogatories, but I do not necessarily  
16 adopt the opinions expressed in the interrogatories  
17 concerning which claims are valid in light of which  
18 references. On that issue, I have expressed my own  
19 opinion in columns containing headings beginning  
20 Shamos opinion.

21 Therefore, the interrogatory answers really  
22 do not play into this analysis because the challenge  
23 is to a report that does not show the combination of  
24 J-CON and P.O. Writer. And that is the first issue  
25 that I have to decide.

1           It is said by Lawson that the report does in  
2 fact cover the combination in paragraph 236. In  
3 paragraph 236, Dr. Shamos, under a general heading  
4 called the combination of J-CON and P.O. Writer  
5 renders the asserted claims obvious, says as follows.  
6 235 is the paragraph. It is my opinion that J-CON  
7 anticipates all asserted claims. It is also my  
8 opinion that P.O. Writer anticipates all of the  
9 asserted claims.

10           In paragraph 236, he says, To the extent that  
11 J-CON and/or P.O. Writer are not deemed to anticipate  
12 any asserted claim, it is my opinion that such claim  
13 would have been obvious in view of the combination of  
14 J-CON with P.O. Writer. The same reasons for making  
15 the previous two combinations, that is his assertion  
16 that the RIMS patent and the Dworkin patent, and the  
17 J-CON and the Dworkin patent taken together, apply to  
18 combining the J-CON system as described in the J-CON  
19 manual with P.O. Writer Plus V 10 as described in the  
20 P.O. Writer manual.

21           The P.O. Writer Plus V 10 system provided the  
22 multi-vendor capability demanded by the industry at  
23 the time and before the time of the invention. The  
24 J-CON system included features that one of ordinary  
25 skill in the art would have been motivated to use with

1 the P.O. Writer system including additional details  
2 about performing a cross referencing of data relating  
3 to an item on a requisition to determine an  
4 alternative source for the same item and/or an  
5 acceptable substitute for the item initially selected.

6 It is asserted by Lawson that Dr. Shamos  
7 omitted from his report the citations to Exhibits 3  
8 and 4 from that paragraph. And Exhibits 3 and 4 to  
9 his report do not appear there. Four is an  
10 anticipation chart and 3 is a claim chart that  
11 includes all of what is in 4. Three is a matter that  
12 has been argued here today.

13 Now, it is argued then that if one goes back  
14 to page 54, paragraph 181, where Dr. Shamos recites  
15 P.O. Writer Plus V10, that he recites what P.O. Writer  
16 has in paragraphs 181 through 184. He does do that,  
17 but he does not show any combination there.

18 It is also said that if one goes to page 65  
19 where he discusses the combination of the RIMS patent  
20 plus Dworkin 940 rendering the claims obvious, that he  
21 has explained in 223, 224, 225 and 226 how to combine  
22 those two as well as one sentence from 227. Much of  
23 what he has said in 227 is -- I guess 228. Much of  
24 227 has been stricken.

25 He has also said that the combination of

1 J-CON plus Dworkin 940 renders the asserted claims  
2 obvious in Dr. Shamos' report, and he discusses that  
3 in 229 through 234.

4 And that brings us to his discussion of the  
5 combination of J-CON and P.O. Writer. And the test  
6 here must be understood in view of the decisions of  
7 the Supreme Court in *KSR* and others.

8 There the Court says that it will be  
9 necessary for a court to look to interrelated  
10 teachings of multiple patents, the effects of demands  
11 known to the design community, or present in the  
12 marketplace, and the background knowledge possessed by  
13 a person having ordinary skill in the art all in order  
14 to determine whether there was an apparent reason to  
15 combine the known elements in the fashion claimed by  
16 the patent at issue. To facilitate review, this  
17 analysis should be made explicit.

18 Then citing *Kahn* with approval, the Court  
19 cites that part of *Kahn* which says rejections on  
20 obviousness grounds cannot be sustained by mere  
21 conclusory statements. Instead, there must be some  
22 articulated reasonings with some rational underpinning  
23 to support the legal conclusions of obviousness.

24 The Federal Circuit has since *KSR* decided  
25 *Innogenetics*, I-n-n-o-g-e-n-e-t-i-c-s, *Innogenetics v.*

1 *Abbott Laboratories*, there the Court held, the  
2 District Court held, that an expert's report on  
3 obviousness asserted claims was deficient for purposes  
4 of the disclosure under Rule 26 for each of the claims  
5 that he analyzes for obviousness. Dr. Patterson  
6 merely lists, said the Court, a number of prior art  
7 references and then concludes with the stock phrase  
8 "To one skilled in the art, it would have been obvious  
9 to perform the genotyping methods in the claims that  
10 were at issue there of that patent that was at issue."

11         The Court went on to say that there must be  
12 some articulated reasoning with some rational  
13 underpinning to support the legal conclusion of  
14 obviousness citing *Kahn* and *KSR*. Again, it cites *KSR*  
15 or *Kahn* requiring the analysis to be made specific.  
16 And then to give guidance about what should be done,  
17 the Court says, nowhere does Dr. Patterson state how  
18 or why a person of ordinary skill in the art would  
19 have found the claims of the '704 patent obvious in  
20 light of some combination of those particular  
21 references.

22         "As the District Court found, it is not  
23 credible to think that a lay jury could examine the  
24 Cha application, the Resnick patent that defendant  
25 cited as prior art or any of the other references and

1 determine on its own whether there were differences  
2 among them and the '704 patent. Such vague testimony  
3 would not have been helpful to a lay jury in avoiding  
4 the pitfalls of hindsight that belie a determination  
5 of obviousness."

6           It is that measure of the disclosure  
7 obligation that is to be applied to the adequacy of  
8 the report here. This matter was brought to the  
9 attention of the Court on December 30, and I denied  
10 the motion to enforce prior Court orders. That was  
11 the vehicle for presenting this issue to the Court.  
12 And at the time I had some concern about the adequacy  
13 of the Shamos report, but as I understood the  
14 arguments being made to me, and they were really made  
15 in that brief and then on the telephone, I erred on  
16 the side of allowing this matter to go forward to see  
17 where crystallization could occur and whether or not  
18 the parties could sort this out. And that  
19 crystallization has gone forward, and it has resulted  
20 in the filing the night before last of a number of  
21 slides wherein the element by element analysis that is  
22 required has been proffered as an outline to be aided  
23 by Dr. Shamos' testimony.

24           In that element, first, I need at this point  
25 to say that if one goes back and looks at Exhibit 3

1 and reads through it carefully, one sees and it is  
2 admitted in the argument that nowhere in the chart,  
3 Exhibit 3, under Shamos opinions does Dr. Shamos  
4 combine the J-CON and the P.O. Writer at all. He just  
5 doesn't do it in the claim by claim analysis. It  
6 doesn't say any combination.

7 We are left to get to that point to use  
8 paragraph 236. And the bottom line is that 236 does  
9 not satisfy the requirements of *KSR* or *Innogenetics*.  
10 It is a conclusory opinion about obviousness. It  
11 incorporates or purports to incorporate by reference  
12 or it does incorporate by reference the reasons given  
13 for explaining to other patents that would be obvious,  
14 that's RIMS plus Dworkin and J-CON plus Dworkin,  
15 without in any way explaining how those reasons apply  
16 to this scenario.

17 And you can go back and read the discussion  
18 of Dworkin plus J-CON and Dworkin plus RIMS, and you  
19 cannot see how to make the combination analysis that  
20 is suggested by the incorporation by reference  
21 sentence. It just simply can't be done. So the  
22 incorporation by reference does not carry the day.

23 That then leaves the next sentence. The P.O.  
24 Writer plus V10 system provided the multi-vendor  
25 capability demanded by the industry at and before the



1 time of the invention. The J-CON system included  
2 features that one of ordinary skill in the art would  
3 have been motivated to use with the P.O. Writer  
4 system, including additional details about performing  
5 a cross referencing of data relating to an item on a  
6 requisition to determine an alternative source with  
7 the same item and/or an acceptable substitute for the  
8 item initially selected.

9 That description is inadequate to the day as  
10 required by *KRS* as supplemented by *Innogenetics*. And  
11 it's explicit teaching and command harkening back to  
12 the Kahn decision about the need to articulate how and  
13 why a person of ordinary skilled in the art would have  
14 found the claim of the '704 patent obvious in light of  
15 some combination of those particular references.

16 It is possible, I suppose, to allow Dr.  
17 Shamos to testify to the P.O. Writer the sentence that  
18 is the last sentence of paragraph 236. However, that  
19 is in such conclusory form that, like the District  
20 Court in *Innogenetics*, it is not credible to think  
21 that a lay jury could examine that text and reach any  
22 conclusion on its own.

23 So the motion then has to be tested. This is  
24 a failure disclose after extensive opportunity to do  
25 so the actual details of the opinion required by those

1 cases as well as by the actual articulation of Rule  
2 26, which requires the expert to state in full all of  
3 the opinions and all the reasons therefore, and in a  
4 combination opinion there has to be a combination  
5 explained in the way that *Innogenetics* and *KSR*  
6 require.

7 And so the question is: Can his testimony  
8 then be excluded? The test to be applied here is the  
9 *Southern States* test according to the plaintiff. And  
10 that test has its Genesis in the decision called  
11 *Rambus v. Infineon*.

12 Failure adequately to disclose under Rule  
13 26(c) is excused by two exceptions. Does anybody  
14 have --

15 Do you have a current Federal Rules down at  
16 your desk?

17 MS. HAGGARD: No, but I can go grab one.

18 THE COURT: Mine is blocked by all these  
19 documents and I can't reach it. I can't even move the  
20 file.

21 Have you got one? That's it. Rule 37(c)  
22 says if a party fails to provide information or  
23 identify witnesses as required by Rule 26(a) or (e),  
24 the party is not allowed to use that information or  
25 witness to supply evidence on a motion in a hearing or

1 at a trial unless the failure was substantially  
2 justified or is harmless. The sanctions that are  
3 permitted are outlined.

4 That same basic framework animated the  
5 *Southern States*. The first test is was the party  
6 surprised about the testimony? The answer to that is  
7 yes and no. EPlus has known for some time about the  
8 combination theory of J-CON plus P.O. Writer. But the  
9 it has not been on notice of exactly what Lawson was  
10 going to say about how that combination occurred until  
11 these slides were presented a couple of nights ago.  
12 And even now they are being narrowed down. So I think  
13 it's fair to say the surprise component augers in  
14 favor of ePlus.

15 The nature of the surprise is particularly  
16 important given the Supreme Court's and Federal  
17 Circuit's recent articulations of the need for  
18 specificity on combination testimony and obviousness.

19 The next test is the ability of the party to  
20 cure that surprise. Given the convoluted nature of  
21 Dr. Shamos' reasoning, and it's almost impossible to  
22 expect the opposing party to have anticipated exactly  
23 what was going to be delivered to it today or last  
24 night or night before last, I guess it was, I'm sorry,  
25 and to cure the surprise by effective

1 cross-examination. And that's what has to be done  
2 here. That's the cure. Plus the need to have its own  
3 expert reassess all of the testimony now being offered  
4 in the form that it's now being offered in order to  
5 adjust to the surprise.

6 And that would be a method that conceptually  
7 could be available to cure, but to do that would allow  
8 this testimony, if presented, by Dr. Shamos to disrupt  
9 the trial. And I don't really have any good  
10 explanation on the record for failure to sort this out  
11 in the way that they were going to use it at trial.

12 I've told the parties from the beginning they  
13 needed to sort this out specifically. And I on  
14 numerous occasions said the consequence can be  
15 exclusion, and you need to be aware of all that and  
16 tried to give the parties an opportunity to make sure  
17 they understood what the consequence were. And so I  
18 don't find the explanation for the failure to disclose  
19 what should have been disclosed adequate. And the  
20 importance of the testimony, it's the lynchpin of the  
21 J-CON, P.O. Writer obviousness argument, and so it's  
22 critical, and it's important to both sides, obviously.

23 Applying all those tests, I find that there  
24 has been a failure to disclose as required, and the  
25 sanctions are imposing of attorneys' fees, inform the

1 jury of the failure are other sanctions including any  
2 of the others listed in 37(D)(2)(a) 1 through 6 and  
3 (B)(2)(a) 1 through 6, directing that matters embraced  
4 in the order or other designated facts be taken as  
5 established for purposes of the action as the  
6 prevailing party claims, prohibiting the disobedient  
7 party from supporting or opposing designated claims of  
8 defenses or from introducing designated matters in  
9 evidence, striking pleadings in whole or in part,  
10 staying further proceedings until the order is obeyed,  
11 dismissing the action or proceeding in whole or in  
12 part, rendering a default judgment against the  
13 disobedient party. I believe that's the right  
14 reference, (a) 1 through 6.

15 So the remedy here is, the only practical  
16 remedy given the situation, is to preclude the  
17 testimony of Dr. Shamos on the issue of combination of  
18 J-CON and P.O. Writer. The motion to that extent is  
19 granted.

20 Now, you said there's something else about  
21 Dr. Staats.

22 MR. ROBERTSON: Yes, Your Honor. Can I refer  
23 you back to Dr. Shamos' report beginning at page 68?

24 THE COURT: Well, let me ask you this  
25 fundamental question. Can an invalidity or

1 combination ever be sustained on the basis of fact  
2 testimony only?

3 MR. ROBERTSON: I don't believe it can, Your  
4 Honor.

5 THE COURT: Is there a case that holds that?

6 MR. ROBERTSON: I think the cases that -- let  
7 me just refer you, if I can, to, I think, *Proveris*  
8 *Scientific Corp. v. Innovasystems*, 536 F.3d 1256,  
9 1257.

10 THE COURT: Cite it again.

11 MR. ROBERTSON: It's *Proveris* --

12 THE COURT: Just the case.

13 MR. ROBERTSON: 536 F.3d 1256, 1257, Federal  
14 Circuit, 2008. Expert testimony is required to  
15 establish invalidity where the subject matter is  
16 sufficiently complex to fall beyond the grasp of an  
17 ordinary layperson. That's a parenthetical that's  
18 coming out of that case.

19 Also I can cite *Koito Manufacturing Co. v.*  
20 *Turn-Key-Tech*, 381 F.3d 1142 at page 1152, that's  
21 Federal Circuit, 2004. We hold that the defendant  
22 needed some explanatory testimony or other evidence to  
23 compare the prior art, the patent at issue, given that  
24 the prior art reference was a technical document.

25 So we would suggest, Your Honor, that in the

1 context of this case with the complexity and the  
2 nature of the technology here, this kind of testimony  
3 needs to be tethered to expert testimony for the jury  
4 to actually be able to apprehend, understand, and do  
5 the appropriate analysis.

6 And so with respect to Dr. Staats, it's been  
7 conceded that he has -- that they are offering no  
8 anticipation opinions with respect to him. They do  
9 have a combination of J-CON and Dworkin, which Your  
10 Honor has already referred to.

11 In the same exact analysis that the Court has  
12 just done with respect to J-CON and P.O. Writer, if it  
13 was followed, it's equally as conclusory.

14 In fact, if I could just direct the Court to  
15 one paragraph, if I could, just to illustrate this  
16 point at page 68 of Dr. Shamos' report.

17 THE COURT: Are you bringing this up for the  
18 first time?

19 MR. ROBERTSON: No, sir.

20 THE COURT: What is it that you think we  
21 can -- you just keep going and going and going.  
22 Ultimately, there was a precursor motion as to which I  
23 probably didn't do the right thing, and I'm trying to  
24 cure it, but I don't remember any objection to Staats  
25 on J-CON and Dworkin.

1 MS. STOLL-DeBELL: We don't intend to have  
2 Dr. Shamos talk about J-CON plus Dworkin.

3 THE COURT: He's not going to talk about it  
4 so why are you talking about it?

5 MR. ROBERTSON: Well, then Dr. Staats doesn't  
6 need to testify because if Dr. Shamos isn't going to  
7 talk about J-CON and Dworkin, then there's no basis to  
8 have Dr. Staats testify about J-CON because it then  
9 has no relevance to this case because it would be  
10 completely untethered to expert testimony.

11 To address that point, Your Honor, we did  
12 raise this precise J-CON plus Dworkin issue in the  
13 brief that we filed back on -- that we had the  
14 argument on December 30. That's what the argument  
15 became focused on. It became focused on P.O. Writer  
16 and J-CON because of the slides we received this  
17 weekend. But in respect to the J-CON plus Dworkin --

18 THE COURT: They are not offering that.

19 MR. ROBERTSON: All right. Then Dr. Staats  
20 shouldn't be permitted to testify.

21 THE COURT: Why? Ms. What's-Her-Name was  
22 allowed to testify.

23 MR. ROBERTSON: Ms. McEneny?

24 THE COURT: The Laurene McEneny show.

25 MR. ROBERTSON: They are contending --



1 THE COURT: It's on anticipation.

2 MR. ROBERTSON: Three claims that anticipate  
3 from Ms. McEneny.

4 THE COURT: So Staats is only on invalidity.  
5 I mean obviousness.

6 MR. ROBERTSON: Yes, sir. So now there's no  
7 expert testimony with respect to obviousness or  
8 combinations on either. So we would then submit that  
9 Dr. Staats' testimony would be completely  
10 inappropriate.

11 THE COURT: All right. Why should Dr. Staats  
12 be allowed to testify in view of the ruling, Ms.  
13 Stoll-DeBell? Why isn't this one of those technical  
14 matters that, in fact, it does require some expert  
15 testimony to determine obviousness, and that without  
16 the expert being unable to testify about it, Dr.  
17 Staats can't get into any evidence because it's not  
18 relevant, and even if it were relevant, it can be  
19 confusing and lead to further testimony to address his  
20 testimony on the issue which really doesn't need to be  
21 addressed.

22 MS. STOLL-DeBELL: Well, I don't think we  
23 have to answer that question, Your Honor, because he  
24 can offer testimony that Dr. Shamos can use to rebut  
25 ePlus' evidence of secondary considerations.

1           So if you go to Dr. Shamos' report, page  
2   70 --

3           THE COURT: I'm talking about the combination  
4   component now.

5           MS. STOLL-DeBELL: Well, I think Dr. Staats  
6   can testify about what J-CON did and we can use that  
7   to say that J-CON satisfied some unmet need that they  
8   are talking about. So it's not relying on J-CON as a  
9   prior art reference. It is relying on J-CON to rebut  
10  some of ePlus' secondary considerations, and this is  
11  disclosed specifically in Dr. Shamos' report.

12           So Dr. Shamos can talk about J-CON still with  
13  regard to these paragraphs.

14           THE COURT: Secondary considerations come up  
15  in what context?

16           MS. STOLL-DeBELL: They'll come up in the  
17  context of obviousness with regard to the RIMS plus  
18  TV/2 testimony that Dr. Shamos will give. So he'll  
19  get up and say the claims are obvious, RIMS plus TV/2  
20  go for that, and then he'll also say there are no  
21  secondary considerations that show that this invention  
22  is not obvious.

23           THE COURT: How does J-CON play into the  
24  secondary consideration response to the obviousness  
25  testimony based on RIMS plus TV/2?

1 MS. STOLL-DeBELL: Well, I think the easiest  
2 way is to go look at what Dr. Shamos said about that  
3 in his report. He has three specific paragraphs.

4 THE COURT: What page?

5 MS. STOLL-DeBELL: Page 70. The first one is  
6 paragraph 242.

7 THE COURT: 242. Okay. Go ahead.

8 MS. STOLL-DeBELL: He basically says ePlus is  
9 speaking of the prior art, that since the electronic  
10 catalogs were limited to a single vendor's product,  
11 comparison shopping among different vendors could not  
12 be conducted. The statement is incorrect.

13 At least the following prior art systems  
14 allowed comparison shopping among multiple vendors,  
15 and J-CON is listed as one of them.

16 Then if you go, Your Honor, to the next page.

17 THE COURT: Page or paragraph?

18 MS. STOLL-DeBELL: Page. 71.

19 THE COURT: All right.

20 MS. STOLL-DeBELL: Paragraph 246. So ePlus  
21 asserts that the inventors recognize that the  
22 electronic sourcing system could also include  
23 databases having vendor's inventory information or  
24 other inventory determination means so that for a  
25 particular selected item from a catalog database

1 search, the system could determine its availability in  
2 the inventory of a vendor. Even if vendors had that  
3 realization, so did numerous others before them. Such  
4 capability was provided by at least the following  
5 prior art systems. And J-CON is one of the ones they  
6 list.

7 And there's the next paragraph, 247, says  
8 ePlus asserts that if a particular vendor was out of  
9 stock with respect to a selected item, the inventors  
10 recognize that the system should be capable of finding  
11 another item available from a different vendor in  
12 another vendor catalog by means of, for example, a  
13 database which identifies cross-reference items.

14 THE COURT: So he can testify to these  
15 things?

16 MS. STOLL-DeBELL: Yes, Your Honor. And this  
17 goes to the scope and content of the prior art, which  
18 is one of the Graham factors for obviousness.

19 THE COURT: Why does Staats testify to this?  
20 Why doesn't this come not from Staats' testimony, but  
21 from the references of the J-CON patent?

22 MS. STOLL-DeBELL: I think I was  
23 misinterpreting who you meant by he. Dr. Shamos can  
24 testify about these things. Dr. Staats will put in  
25 the facts.

1 THE COURT: What facts?

2 MS. STOLL-DeBELL: The fact that J-CON did  
3 these things. So J-CON offered comparison shopping as  
4 talked about in paragraph 242. So Staats will just  
5 put on the facts that support Dr. Shamos' opinions set  
6 forth in these three paragraphs.

7 THE COURT: All right. I see.

8 MS. STOLL-DeBELL: The other one is the  
9 inventory information and cross referencing.

10 THE COURT: 246, 247 and 242; is that right?

11 MS. STOLL-DeBELL: Yes. Then I would just  
12 also note for the record that a party is not required  
13 to put on expert testimony of obviousness. That was  
14 held in the *Wyers* case from the Federal Circuit.

15 THE COURT: What is the cite for that?

16 MS. STOLL-DeBELL: 616 F.3d 1231.

17 THE COURT: How do you deal with cases that  
18 he cited that says in technical matters like this, you  
19 need to --

20 MS. STOLL-DeBELL: Well, I think it's not  
21 required. I think putting on Dr. Staats to put on the  
22 facts about J-CON, and you know there's been plenty of  
23 testimony about --

24 THE COURT: Wait a minute. If you're not  
25 going to offer his testimony, anything about the

1 secondary consideration, that's not even an issue.  
2 The only time that's an issue is if you say that  
3 Staats can testify to things about combination, and  
4 the case can go to the jury on the combination issue  
5 of J-CON plus P.O. Writer on the basis of Staats and  
6 what's her name?

7 MS. STOLL-DeBELL: I don't think I'm saying  
8 that.

9 THE COURT: Okay. Then we don't have this  
10 issue because he's not testifying on anything but  
11 these three paragraphs.

12 MS. STOLL-DeBELL: I'm saying he can do that,  
13 and, in addition, he can talk about the functionality  
14 of the J-CON system, and we wouldn't need Dr. Shamos  
15 to testify about that. Even if Dr. Shamos doesn't  
16 testify about the combination of J-CON and P.O. Writer  
17 or J-CON and Dworkin, I'm saying that the law is we do  
18 not have to have expert testimony for that. So that's  
19 a separate issue.

20 THE COURT: Why is that an issue now? If  
21 you're not going to offer Staats' testimony -- the  
22 issue came up only because he asked to keep Staats  
23 from testifying about the obviousness component so the  
24 jury doesn't get anything. Because the jury is not  
25 going to get any obviousness issue on P.O. Writer plus

1 J-CON because there's no expert to support it, and an  
2 expert is required to support that particular kind of  
3 obviousness testimony.

4 Now, you said in response to that, Well,  
5 we're not offering anymore given your ruling. And I  
6 realize it was because of the ruling, and you  
7 preserved your objection to that, that you say you're  
8 not even offering his testimony on the issue of the  
9 combination. You're offering it only on what it did  
10 as a factual predicate to support Shamos' testimony in  
11 242, 246 and 247; isn't that right?

12 MS. STOLL-DeBELL: I am saying that he should  
13 be able to testify about paragraph 242. That Dr.  
14 Staats should be able to testify about the factual  
15 predicate underlying paragraphs 242, 246 and 247.

16 THE COURT: And that's secretary  
17 consideration.

18 MS. STOLL-DeBELL: Yes.

19 THE COURT: That's the only thing you're now  
20 offering him for?

21 MS. STOLL-DeBELL: No. That's one issue. I  
22 think he should be able to testify about that. I  
23 think there's a second issue that Dr. Staats should be  
24 able to get up and put on the facts about J-CON and  
25 that we ought to be able to in closing argument argue

1 the combination of J-CON and P.O. Writer because we  
2 haven't been precluded from making that. Dr. Shamos  
3 has been. So Dr. Shamos can't testify about it, but  
4 the Federal Circuit has said you do not need to have  
5 expert testimony on obviousness.

6 THE COURT: You all are going to have to  
7 brief this, but I don't know why on earth you can make  
8 that argument in this case. This seems to me to be --  
9 it's not a case where a jury could do it by itself  
10 just like in the *Innogenetics*. I recognize that you  
11 don't always have to have an expert. That's not the  
12 issue. The issue is in this case, don't you think?

13 How can they decide that issue in this case  
14 without an expert?

15 MS. STOLL-DeBELL: I think it can. I think  
16 we have had a lot of testimony from the inventors.  
17 We've seen what the claims are. Dr. Staats will get  
18 up and testify about the elements there, and it will  
19 be explained in closing argument.

20 THE COURT: Okay.

21 MS. STOLL-DeBELL: I don't think this is an  
22 extremely complex invention, Your Honor, where you're  
23 talking about --

24 THE COURT: You may not because you probably  
25 function in the world of sophistication, but we're



1 talking about an average jury. This is hard. I mean,  
2 I spent I don't know how many hours trying to  
3 understand this stuff, and I have to go back and read.  
4 It's like reading the rules of the Supreme Court of  
5 Virginia. I wouldn't think about filing a brief there  
6 without reading those rules every time.

7 Well, every time that I have to deal with  
8 this I have to go back and check these patents and  
9 some of the basics on them just so I understand them.  
10 What do you think the jury is going to do?

11 Let me hear Mr. Robertson.

12 MS. STOLL-DeBELL: I think that's a separate  
13 issue.

14 THE COURT: No, it isn't. Because it's the  
15 scope of what he's going to testify to.

16 MS. STOLL-DeBELL: I think for sure he ought  
17 to be able to testify about the factual predicate  
18 underlying those three paragraphs.

19 THE COURT: I understand.

20 How much more of this do I have to deal with?  
21 You know what? This has now taken up half of this  
22 day. I don't understand. I'm going to tell you  
23 something. What you have done is convinced me beyond  
24 question that the next people who come in here to try  
25 a patent case are going to be on a leash that Ripley

1 is not going to believe, and they're going to do it  
2 without disrupting and tearing up the life of juries.

3 These people do not make the kind of money  
4 that you all make, and they had a right to have  
5 you-all prepared and have it over with so that I don't  
6 have to interrupt their day taking half their day  
7 doing this.

8 If I had known this, I could have let them  
9 not come in until 1 o'clock. I don't understand what  
10 you-all think.

11 MR. ROBERTSON: I apologize, Your Honor. We  
12 received 167 slides. We met for hours yesterday.  
13 They would only reduce them to 107. We still have  
14 these problems.

15 Now your ruling has just taken out at least  
16 26 more, and I think there are some others. I don't  
17 want to have to go through them with the Court either,  
18 but this is what we've been presented with.

19 If you want me to deal with them as they come  
20 up during the trial, I can also do that, but that  
21 would also be disruptive.

22 THE COURT: What I want you to do is to solve  
23 it by agreement.

24 MR. ROBERTSON: We will do that.

25 THE COURT: I want you to have solved this

1 stuff. You should done it months ago.

2 MR. ROBERTSON: I just got the slides Monday  
3 night, Your Honor. I'm sorry.

4 THE COURT: That's because you-all made a  
5 side deal that puts you at that risk. You should have  
6 never made that side deal. Otherwise, the rule is  
7 exhibits that's aren't done at the pretrial conference  
8 don't come in, and that includes demonstrative  
9 exhibits. So you-all made a side deal that made all  
10 this possible. You didn't run it by me. You didn't  
11 check anything with anybody. It's not allowed.  
12 Here's what happens because you do it. Because we're  
13 in the process of having to solve these problems. And  
14 every time you get up, you come up with something  
15 else.

16 Now, address the question of Dr. Staats.

17 MR. ROBERTSON: I would not have a problem  
18 with Dr. Shamos testifying as to these three  
19 paragraphs that have been cited.

20 THE COURT: That's not an issue. Dr. Staats,  
21 can he testify to the facts that Shamos would use in  
22 there?

23 MR. ROBERTSON: I don't think he needs to or  
24 has to. In fact, I think it would be nothing more  
25 than confusing and cause undue delay and would be

1 misleading. It's represented to me this morning that  
2 Dr. Staats would be testifying on direct examination  
3 for an hour and a half to an hour and three-quarters,  
4 and I would at least have an hour of cross-examination  
5 for what? To establish that he had some system that  
6 did something that is no longer relevant to any issue  
7 of invalidity in this case, obviousness or  
8 anticipation.

9 THE COURT: They say that his testimony is  
10 relevant to obviousness. That because the J-CON  
11 system -- you heard her.

12 MR. ROBERTSON: There's no --

13 THE COURT: Why do you make a statement like  
14 that?

15 MR. ROBERTSON: There's no expert opinion in  
16 this case anymore, Your Honor, that has anything to do  
17 with obviousness. So he can't take the stand --

18 THE COURT: There's no expert opinion  
19 about --

20 MR. ROBERTSON: About J-CON for anticipation  
21 or obviousness.

22 THE COURT: But there is about RIMS and TV/2.

23 MR. ROBERTSON: And they can present Dr.  
24 Shamos with respect to RIMS and TV/2.

25 THE COURT: What they're saying is that the

1 evidence that Staats would give about the J-CON system  
2 is relevant to support the opinions that Shamos would  
3 give in 242, 246 and 247. Why can't Shamos do that?  
4 I mean, why can't Staats do that?

5 MR. ROBERTSON: Dr. Staats would give Dr.  
6 Shamos' opinions in those paragraphs?

7 THE COURT: Oh, come on.

8 MR. ROBERTSON: I don't understand.

9 THE COURT: For Pete's sake. Just listen.  
10 What she said, and it's simple as it can be, and I  
11 don't want to spend a lot of time reiterating things  
12 you're not listening to. Staats testifies about the  
13 components and the operation of J-CON, she says, in  
14 order to provide a factual basis for this testimony  
15 forecast in paragraphs 242, 246 and 247 of the Shamos  
16 report, which go to the secondary considerations,  
17 which secondary considerations are pertinent still in  
18 the case because there still is an obviousness issue  
19 on RIMS and TV/2.

20 Why can't Staats testify about that topic,  
21 that kind of topic?

22 MR. ROBERTSON: Well, if Staats can testify  
23 he has a prior art system that he says allowed  
24 comparison shopping among multiple vendors, and that's  
25 it, then if it's limited to that, fine. If it's going

1 to be 2 1/2 hours of him describing the entire system  
2 that is no longer relevant to invalidity, I don't  
3 understand what the purpose is. If he wanted to say,  
4 for example, that --

5 THE COURT: No. So he can do that as long as  
6 his testimony is confined to those issues.

7 MR. ROBERTSON: On paragraphs 242, 246 --

8 THE COURT: Yes, that's what she said.

9 She also says that this issue of J-CON being  
10 combined with P.O. Writer can go to the jury without  
11 an expert, and that your objection to Staats'  
12 testimony on other aspects of the J-CON operation is  
13 not well taken even in the face of the ruling that  
14 keeps out Dr. Shamos' testimony on that issue because  
15 the issue can go to the jury without an expert.

16 Isn't that your second point, Ms.  
17 Stoll-DeBell?

18 MS. STOLL-DeBELL: Yes, Your Honor.

19 THE COURT: What's your response to that?

20 MR. ROBERTSON: My response to that is I  
21 haven't had an opportunity to look at the case she's  
22 referenced. I don't believe that that is, in fact,  
23 the case, but if it is, I'm certain it's going to be  
24 in a case that is of such simple technology with a  
25 lack of complexity that the cases that I have cited to

1 Your Honor in which an expert has to provide some sort  
2 of roadmap and guidance.

3 THE COURT: Have you got the case?

4 MS. STOLL-DeBELL: I do.

5 THE COURT: Give it to him.

6 I'm going to take a break and let the court  
7 reporters shift, and I'll finish this up, and then  
8 we're going to get going with the testimony.

9 MS. STOLL-DeBELL: We're going to deal with  
10 all this issue and ask only that Staats be put on to  
11 do a factual predicate for paragraphs 242, 246 and  
12 247, and withdraw our request to put the issue of  
13 J-CON plus P.O. Writer -- whatever paragraphs I said.

14 THE COURT: You said 242, 246 and 247. And  
15 he's saying 244. And you didn't talk about that.

16 MS. STOLL-DeBELL: Your Honor, I guess I  
17 missed a paragraph when I was talking about it.

18 THE COURT: You want to include 244?

19 MS. STOLL-DeBELL: Yes, I would.

20 THE COURT: That's all right. That happens.

21 MS. STOLL-DeBELL: But we're going to  
22 withdraw our request to put P.O. Writer plus J-CON to  
23 the jury without an expert.

24 THE COURT: All right. Thank you.

25 We'll take a recess and we'll come can and he

1 can testify to that.

2 How long will his testimony be?

3 MR. SCHULTZ: About 45 minutes, Your Honor.

4 THE COURT: All right. Thank you very much.

5 We'll take a recess. Tell the jury.

6 Did we order lunch for them?

7 MR. LANGFORD: They are eating downstairs.

8 THE COURT: Are they down there now?

9 MR. LANGFORD: No.

10 THE COURT: Can they go on down there now?

11 MR. LANGFORD: Yes.

12 THE COURT: Let's let the jury go to lunch  
13 and we'll take a lunch recess. Then we'll come back  
14 at 1 o'clock and be ready to go with the whole  
15 shooting match including Dr. Shamos.

16 Thank you.

17 (Luncheon recess at 12:01 p.m.)  
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